United Nations A/C.5/55/SR.56

General Assembly
Fifty-fifth session

Official Records

Distr.: General
9 April 2001

Original: English

Fifth Committee

Summary record of the 56th meeting
Held at Headquarters, New York, on Monday, 2 April 2001, at 7 p.m.

Chairman: Mr. Rosenthal ..... (Guatemala)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Organization of work

Other matters

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01-31737 (E)

The meeting was called to order at 7.15 p.m.

Organization of work

1. **The Chairman** invited the coordinator of the informal consultations on agenda item 123, Human resources management, to report on the status of those consultations so that the Committee could take an informed decision on how to organize its work for the rest of the first part of the resumed fifty-fifth session.

2. **Mr. Chaudhry** (Pakistan), speaking in his capacity as the coordinator of informal consultations on agenda item 123, said that all delegations were showing a positive attitude and making strenuous efforts to agree on a draft resolution on human resources management. Many issues remained to be clarified in that regard. The amount of time needed to complete the draft resolution would depend on the progress achieved in the consultations to be held immediately after the current meeting, which would focus on areas of controversy. Even if delegations reached an agreement by the end of the evening, additional time would be needed the following day to adjust the text of the draft.

3. **The Chairman** said that the Bureau of the Committee wished to propose that all outstanding issues should be postponed until after the draft resolution on human resources management had been finalized. The Committee would then hold a formal meeting, probably in two days' time, to take action on those issues and to close the first part of the resumed session.

4. **Mr. Mirmohammad** (Islamic Republic of Iran), speaking on behalf of the Group of 77 and China, said that the Committee should have been able to complete its work by the end of the preceding week. He hoped that progress would be made in the informal consultations to be held after the current meeting; such progress would depend on the willingness of all to reach agreement. The Group of 77 and China took the reform of human resources management very seriously and had made specific proposals in that area; they had also made some concessions in the interest of reaching a consensus. They were concerned and disappointed that some of the issues on which an understanding had been reached had subsequently been reopened. In the informal consultations, the Group of 77 and China had been prepared to withdraw or amend some of their proposals. However, if other delegations did not reciprocate that constructive approach, an extension of the first part of the resumed session would not be helpful.

5. **Mr. Nesser** (Sweden), speaking on behalf of the European Union, said that he appreciated the constructive efforts made by all delegations, including the Group of 77 and China. The text under consideration, most of which did not emanate from European Union countries, was very long. The European Union was prepared to cooperate with all other delegations, in a spirit of flexibility, with a view to completing the Committee's work as soon as possible.

6. **The Chairman** said he took it that the Committee wished to postpone action on outstanding issues until after the draft resolution on human resources management had been finalized, as proposed by the Bureau.

7. *It was so decided.*

Other matters

8. **The Chairman** said that the Secretariat had confirmed that, in future, it would circulate preliminary versions of draft resolutions to delegations by electronic mail, as proposed by the representative of Egypt at the preceding meeting.

The meeting rose at 7.40 p.m.

United Nations A/C.5/55/SR.57

General Assembly
Fifty-fifth session

Official Records

Distr.: General
24 April 2001

Original: English

Fifth Committee

Summary record of the 57th meeting
Held at Headquarters, New York, on Monday, 9 April 2001, at 3 p.m.

Chairman: Mr. Rosenthal ..... (Guatemala)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 132: Financing of the United Nations Mission in Sierra Leone (*continued*)

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Reports of the Office of Internal Oversight Services (*continued*)

Agenda item 122: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*)

Agenda item 124: United Nations common system (*continued*)

Agenda item 126: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*)

Agenda item 123: Human resources management (*continued*)

Other matters

Completion of the work of the Fifth Committee at the first part of the resumed fifty-fifth session of the General Assembly

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01-32671 (E)

The meeting was called to order at 3.10 p.m.

Agenda item 132: Financing of the United Nations Mission in Sierra Leone (*continued*) (A/C.5/55/L.49)

Draft resolution A/C.5/55/L.49

1. **Ms. Dinič** (Croatia), Vice-Chairman, introducing draft resolution A/C.5/55/L.49, expressed the hope that it would be adopted by consensus.

2. *Draft resolution A/C.5/55/L.49 was adopted.*

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Reports of the Office of Internal Oversight Services (*continued*) (A/C.5/55/L.56)

Draft decision A/C.5/55/L.56

3. **Mr. Kelapile** (Botswana), Vice-Chairman, introducing draft decision A/C.5/55/L.56, noted that, while the report of the Office of Internal Oversight Services on the inspection of the consolidation of technical support services in the Department of General Assembly Affairs and Conference Services (A/55/803) had also been introduced under the item, along with the four reports referred to in the draft decision, the Committee had decided to continue its consideration of that report at the second part of the resumed fifty-fifth session of the General Assembly so as to enable one delegation to obtain clarifications on a number of points it had raised. He urged the adoption of the draft decision by consensus.

4. *Draft decision A/C.5/55/L.56 was adopted.*

Agenda item 122: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*) (A/55/789)

5. **Mr. Chandra** (India), Vice-Chairman, reporting on the informal consultations on the item, said that a large majority of delegations had expressed the view that the Committee should defer taking a decision on the application of Article 19 of the Charter pending the consideration by the Committee on Contributions at its forthcoming session, of the relevant report of the Secretary-General (A/55/789).

6. **Mr. Ahmed** (Iraq) said that, on 6 August 1990, the Security Council had imposed sweeping sanctions against Iraq under its resolution 661 (1990), which, inter alia, prohibited Iraq from exporting goods of any kind and froze its assets abroad. Those sanctions had prevented Iraq from obtaining funds for the purchase of food and medicine, let alone for the payment of its assessed contributions to the international organizations of which it was a member. Moreover, at the end of 1992, the United Nations had refused to accept payments from Iraq in Iraqi dinars. Given Iraq's inability, because of the embargo maintained against it, to pay its contributions in hard currency, its arrears to the budget of the United Nations had come to exceed the amount provided for in Article 19 of the Charter.

7. Since 1994, Iraq had periodically requested exemption from the provisions of Article 19 until such time as the sanctions were lifted, or to be allowed to pay its assessed contributions in local currency, as it had until 1992. However, one member of the Committee on Contributions had blocked those requests for political reasons. The most recent such request had been considered at the special session of the Committee on Contributions held in February 1999. As stated in the Committee's report to the General Assembly (A/53/11/Add.1, para. 64), there had been some discussion of whether the outstanding assessments of Iraq could be met from the sale of Iraqi oil, and some members had felt that that possibility warranted further consideration.

8. Accordingly, in January 2000, Iraq had requested the Security Council to approve the allocation of $24 million from the Iraq Account established pursuant to resolution 986 (1995) and the memorandum of understanding of 20 May 1996, and specifically the 53 per cent and 13 per cent accounts, for the payment of, inter alia, the arrears in Iraq's contributions to the budget of the United Nations. Many members had expressed support for Iraq's request, but the United States had objected on the grounds that the revenues from sales of Iraqi oil should be used exclusively for the purposes set out in resolution 986 (1995). In April 2000, Iraq had requested that the same amount should be withdrawn from the 2.2 per cent account allocated to the administrative and operational expenses of the Iraq Programme, which, at that time, had had a surplus of more than $212 million. The Council had considered the request without achieving a consensus and his

delegation had subsequently been informed that one member, the United States, had blocked the initiative.

9. Iraq attached great importance to the payment of its arrears to the budgets of international organizations, in particular, the United Nations. His Government had made a legitimate request to use the funds accrued in the 2.2 per cent account for that purpose, noting that full payment by Iraq of its assessed contributions to the United Nations would help alleviate the financial crisis facing the Organization.

10. **The Chairman** said that the comments of the representative of Iraq had been noted.

11. He suggested that the Committee should take note of the information provided by the Vice-Chairman.

12. *It was so decided.*

Agenda item 124: United Nations common system (*continued*)

Strengthening the international civil service (*continued*) (A/C.5/55/L.55)

Draft decision A/C.5/55/L.55

13. **Mr. Chandra** (India), Vice-Chairman, introducing draft decision A/C.5/55/L.55, expressed the hope that it would be adopted by consensus.

14. *Draft decision A/C.5/55/L.55 was adopted.*

Agenda item 126: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*) (A/C.5/55/L.58)

Draft decision A/C.5/55/L.58

15. **Mr. Kelapile** (Botswana), Vice-Chairman, introduced draft decision A/C.5/55/L.58.

16. *Draft decision A/C.5/55/L.58 was adopted.*

The meeting was suspended at 3.40 p.m. and resumed at 4.35 p.m.

Agenda item 123: Human resources management (*continued*) (A/C.5/55/L.57)

17. **Mr. Chaudhry** (Pakistan), speaking as coordinator of the informal consultations on the draft resolution on human resources management, said that, following intensive efforts, including late-night consultations, agreement had been reached on approximately 180 of the draft resolution's 200 paragraphs, as reflected in the most recent version of the text, which had been circulated to members. Given the length of the document and the vastness of the subject, delegations could take pride in their accomplishment. There was a general consensus among Committee members to defer consideration of the remaining 20 paragraphs, pertaining to contractual arrangements, recruitment and placement and administration of justice, to the second part of the resumed fifty-fifth session of the Assembly. Given the political will and constructive spirit which had prevailed in the negotiations, he was optimistic that the Committee would complete its work on human resources management at that time.

18. **The Chairman** thanked the representative of Pakistan for his heroic efforts to achieve consensus on such a difficult and complex subject. He, too, would characterize the negotiations as constructive and echo the coordinator's optimism. Stressing the importance of establishing the best possible conditions to attract excellent personnel to the United Nations and the Committee's responsibilities in handling such a sensitive matter, he said that it would be extremely frustrating if the Committee were to be unable to conclude its work by the end of the second part of the resumed fifty-fifth session of the Assembly.

19. *Draft decision A/C.5/55/L.57 was adopted.*

20. **Mr. Lenefors** (Sweden), speaking on behalf of the European Union in explanation of position after the decision, said that the work of the Committee had been intense and fruitful and that only a limited number of issues remained for its consideration in May. The draft before the Committee formed a very sound basis for the pursuit of negotiations. He thanked Mr. Chaudhry, Committee members and the Fifth Committee secretariat for their contributions and was confident that the Committee would successfully conclude its negotiations during the second part of the resumed fifty-fifth session of the Assembly.

21. **Mr. Mirmohammad** (Islamic Republic of Iran), speaking on behalf of the Group of 77 and China, expressed disappointment that the draft resolution had not been adopted a week earlier. The Group of 77 and China had shown flexibility in understanding other delegations' need for additional time but, regrettably, even that had proved to be insufficient. The Group of

77 and China would participate constructively in the resumed negotiations, which they hoped would culminate in the adoption of the draft resolution in its entirety.

22. **Mr. Fox** (Australia), speaking also on behalf of Canada and New Zealand, expressed appreciation to the coordinator and to delegations, particularly the Chairman of the Group of 77 and China and the President of the European Union, for their constructive role in the negotiations. He hoped that the technological innovations introduced by the Secretariat in the informal consultations would be maintained in the future. The draft text in its current form represented a significant amount of work and a huge effort on the part of all delegations to bridge differences. Despite the cautionary and strategic guidance it contained in a number of important reform areas, there was every reason to believe that the Committee would approve the package in its entirety at the second part of the resumed fifty-fifth session. Canada, Australia and New Zealand hoped that the Secretary-General and the Secretariat would be encouraged by the Committee's work and that the Secretary-General would continue his reform initiatives.

23. **Mr. Dugan** (United States of America) said that his delegation would be consulting with others during the interval between the first and second parts of the resumed fifty-fifth session of the Assembly in order to make progress towards agreement on the remaining portions of the draft text. It was rare for such an ambitious text to be considered at the United Nations and substantial progress had already been made. His delegation was grateful to all those who had made that possible and looked forward to the resumption of negotiations on the draft resolution in May.

Other matters

24. **The Chairman** drew attention to the legal opinion provided by the Under-Secretary-General for Legal Affairs, the Legal Counsel on the meaning of the phrase "taking note of", contained in document A/C.5/55/42. He had sought a legal opinion in response to a request by the representative of the Syrian Arab Republic. The Legal Counsel would be available to respond to further questions by the Committee at the beginning of the second part of the resumed fifty-fifth session.

25. **Mr. Nakkari** (Syrian Arab Republic) expressed his delegation's deep gratitude to the Chairman for the skilful and wise manner in which he had conducted the work of the Fifth Committee and for accommodating all points of view expressed by its members. He also wished to thank the Under-Secretary-General for Legal Affairs, the Legal Counsel for his response and for his willingness to pursue the matter further at the second part of the resumed fifty-fifth session.

Completion of the work of the Fifth Committee at the first part of the resumed fifty-fifth session of the General Assembly

26. **The Chairman** declared that the Fifth Committee had completed its work at the first part of the resumed fifty-fifth session, and that the item on human resources management would be the first to be taken up by the Committee at the second part of the resumed fifty-fifth session of the Assembly.

The meeting rose at 4.55 p.m.

United Nations A/C.5/55/SR.58

General Assembly
Fifty-fifth session

Official Records

Distr.: General
29 May 2001

Original: English

Fifth Committee

Summary record of the 58th meeting
Held at Headquarters, New York, on Monday, 7 May 2001, at 3 p.m.

Chairman: Mr. Rosenthal ..... (Guatemala)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Organization of work

Agenda item 115: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*)

Agenda item 129: Financing of the United Nations Angola Verification Mission and the United Nations Observer Mission in Angola

Agenda item 130: Financing of the activities arising from Security Council resolution 687 (1991)

(a) United Nations Iraq-Kuwait Observation Mission

Agenda item 132: Financing of the United Nations Mission in Sierra Leone

Agenda item 133: Financing of the United Nations Interim Administration Mission in Kosovo

Agenda item 135: Financing of the United Nations Mission for the Referendum in Western Sahara

Agenda item 136: Financing of the United Nations Mission of Observers in Tajikistan

Agenda item 137: Financing of the United Nations Preventive Deployment Force

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01-36213 (E)

Agenda item 138: Financing of the United Nations peacekeeping forces in the Middle East

(a) United Nations Disengagement Observer Force

(b) United Nations Interim Force in Lebanon

Agenda item 140: Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters

Agenda item 143: Financing of the United Nations Peacekeeping Force in Cyprus

Agenda item 144: Financing of the United Nations Observer Mission in Georgia

Agenda item 148: Financing of the United Nations Mission in Bosnia and Herzegovina

Agenda item 150: Financing of the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti

Agenda item 152: Financing of the United Nations Mission in the Central African Republic

Agenda item 176: Financing of the United Nations Mission in Ethiopia and Eritrea

Agenda item 153: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

(a) Financing of the United Nations peacekeeping operations

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 123: Human resources management (*continued*)

The meeting was called to order at 3.10 p.m.

Organization of work (A/C.5/55/L.59 and L.60)

1. **The Chairman** drew attention to the note by the Secretariat on the status of preparedness of documentation for the Fifth Committee during the second part of the resumed fifty-fifth session of the General Assembly (A/C.5/55/L.59) and to the note by the Bureau on the proposed programme of work for the period in question (A/C.5/55/L.60).

2. **Mr. Mirmohammad** (Islamic Republic of Iran), speaking on behalf of the Group of 77 and China, said that the programme of work should allow sufficient time for the consideration of priority items such as those related to the budgetary and administrative aspects of the financing of peacekeeping operations, including the support account and reimbursement to troop-contributing States.

3. The late issuance of documentation was a matter of continuing concern to the Group of 77 and China and a serious impediment to the smooth functioning of the work of the regional groups and of all Committees, including the Fifth Committee. The Secretariat must comply with the six-week rule for the submission of documents and strictly abide by the relevant provisions of General Assembly resolution 54/248 and the rules of procedure of the General Assembly. It should also observe the rules and regulations governing the issuance of draft resolutions and decisions in all official languages prior to their adoption.

4. The Secretariat should provide an explanation for its failure to issue in all the official languages the annex to the report of the post-Phase V Working Group (A/C.5/55/39). Until that situation was corrected, the report could not be considered as having been submitted in full. The Secretariat should also explain the reasons for the delay in the transmittal of the report of the Joint Inspection Unit (JIU) on the delegation of authority for management of human and financial resources in the United Nations Secretariat (A/55/857) and for the late submission of the Secretary-General's comments on the report (A/55/857/Add.1).

5. The late submission of summary records was another chronic problem. It was difficult to understand why the summary records of the meetings of the Fifth Committee held during the main part of the fifty-fifth session of the General Assembly were still not available four months later.

6. **The Chairman** said that he took it that the Committee wished to approve the programme of work for the first week of the current part of the resumed session and to take note of the proposed programme of work for the remainder of the session.

7. *It was so decided.*

Agenda item 115: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/55/5 (Vol. II), A/55/380/Add.2 and A/55/878)

8. **Mr. Bhana** (Director of External Audit of the Republic of South Africa) introduced the report of the Board of Auditors and the financial report and audited financial statements for the period from 1 July 1999 to 30 June 2000 on behalf of the Chairman of the United Nations Board of Auditors (A/55/5 (Vol. II)). He said that, while the Board had not qualified its opinion on the fair presentation of the financial statements, it had noted in its audit opinion that claims totalling approximately $39.9 million from troop-contributing States and disclosed in the notes to the financial statements as contingent liabilities had not been accrued for in the accounts of the United Nations peacekeeping operations, mainly because funds had not been reserved to settle the claims. The Board was pleased with the efforts made by the Administration in the 1999/2000 financial year to reduce the non-accrual of certified claims by approximately 73 per cent from $149 million during the prior financial period.

9. While the Board concurred with the Advisory Committee on Administrative and Budgetary Questions (ACABQ) that the procedure followed by the Administration was broadly in conformity with the Financial Regulations and Rules of the United Nations, it remained concerned that the omission of valid claims from the accounts of the United Nations peacekeeping operations was not in accordance with United Nations accounting standards, which had adopted the accrual basis of accounting for expenditure. The Board therefore recommended that the Administration should account for all valid expenditure incurred during the financial period on the accrual basis and encouraged improvement in processes to ensure accurate financial reporting.

10. The Board in its audit opinion also referred to its inability to obtain assurance on the reasonableness of the value of non-expendable equipment amounting to some $457 million as a result of deficiencies that had been identified during the audit relating to the control and recording of non-expendable equipment. Accordingly, the Board had recommended that the Administration should implement measures to ensure the proper custody, control and recording of non-expendable equipment.

11. The Board also found that obligations amounting to approximately $2.1 million were not supported by valid obligating documents and that obligations amounting to some $7.2 million had been incorrectly raised against the 1999/2000 budget. Two missions had raised miscellaneous obligating documents amounting to approximately $6.4 million for transportation services and purchase of goods and services in contravention of the United Nations Finance Manual. Vendor-performance evaluations had not been performed for a sample of closed procurement files representing purchases of some $16 million. As at 30 June 2000, the Administration had not disclosed as accounts receivable an amount of approximately $7.5 million arising from the sale of the assets of a mission in liquidation and owing to the United Nations. Lastly, as at 8 November 2000, approximately 20 per cent, representing 1,029 of the total number of authorized posts, had been vacant, thus making it difficult for missions to meet their operational objectives.

12. To address those findings, the Board recommended that the Administration should ensure that the Financial Regulations and Rules of the United Nations relating to obligations were observed and that obligations were raised against the appropriate budgets. Supplier evaluations should be completed on a timely basis prior to the closure of procurement files. The full sale of all assets should be recorded in compliance with United Nations accounting standards and, lastly, urgent measures should be taken to expedite the filling of vacant posts in peacekeeping missions.

13. The Board had also reported on findings and made recommendations concerning the process of contingent-owned equipment and liquidation of missions at Headquarters, electronic data-processing environments and issues concerning environmental management. In addition, it had reviewed the status of implementation of its recommendations for the financial periods ending 30 June 1998 and 30 June 1999 and had confirmed that there were no significant outstanding matters in respect of its report for the financial period ending 30 June 1998.

14. With regard to the Advisory Committee's requests that the Board should undertake a comprehensive assessment of all aspects of the implementation of contingent-owned equipment arrangements, giving specific consideration to the process of inspection and reporting on contingent-owned equipment and self-sustainment, and also that it should inquire into the adequacy and effectiveness of resident auditors in field missions, the Board had already planned to follow up on those matters later in the year.

15. **Ms. Schmidt** (Chief, Office of the Under-Secretary-General for Management), introducing the first report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ending 30 June 2000 (A/55/380/Add.2), said that the Administration attached great importance to the implementation of the Board's recommendations and senior management would continue to keep the process under review.

16. **Mr. Abdalla** (Libyan Arab Jamahiriya) sought clarification as to whether the amount of $39.9 million in claims from troop-contributing States had been reported on the basis of accrued expenditures and an explanation of how the initial amount of $149 million had been reduced by approximately 73 per cent.

17. **Mr. Bhana** (Director of External Audit of the Republic of South Africa), replying to the question posed by the representative of the Libyan Arab Jamahiriya, said that, in its report for the period ending 30 June 1999, the Board had noted that an amount of approximately $149 million had not been accrued. The practice of the United Nations was to obligate amounts only after funds had been reserved for the purpose in question. In the case of troop-contributing States, the amounts should be accrued once they had been certified.

18. **Mr. Abdalla** (Libyan Arab Jamahiriya) asked why no qualification had been entered in that case and how the accruals were justified. It would be helpful to know, for example, whether actual services had been rendered or goods delivered. He was unclear as to whether generally accepted accounting principles had been followed in the case in question.

19. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) explained that there was a difference of opinion between the Board and the Administration on the treatment in the accounts of the amount of $39.9 million relating mainly to claims for contingent-owned equipment, based on the old method of reimbursement, which had been in place before 1 July 1996. While the Administration treated such claims as a contingent liability pending future decisions by the General Assembly, the Board was of the view that the claims represented a present obligation as it related to benefits already received in the current period by the United Nations as verified by the Department of Peacekeeping Operations.

20. The Advisory Committee had had an extensive exchange of views with members of the Audit Operations Committee and with representatives of the Secretary-General on the issue. It understood from those discussions that, pending the submission of the final performance reports for two closed missions, namely, the United Nations Operation in Somalia (UNOSOM) and the United Nations Assistance Mission for Rwanda (UNAMIR), it was not possible to obligate funds and reflect them in the financial statements. The amounts certified by the Secretary-General were therefore shown as liabilities. The Advisory Committee recalled that the Administration had followed the same practice in the past and, under the circumstances, had concluded that the procedure followed by the Administration was broadly in conformity with the Financial Regulations and Rules of the United Nations. The subject was a technical one and he proposed that the Secretariat should provide a written technical explanation of the procedure that had been followed.

21. **Mr. Karia** (Director of the Accounts Division, Office of Programme Planning, Budget and Accounts) said that the standard used by the United Nations was based on an accrual concept. Appropriations had not been available to record obligations on the books and funds not yet approved by the Assembly could not be reflected. The Administration had followed a procedure whereby an appropriation had been requested from the General Assembly based on the recommendation of the Fifth Committee.

22. **Mr. Abdalla** (Libyan Arab Jamahiriya) agreed that, unless an amount had been appropriated by the Assembly, it could not be obligated. The problem arose, however, because an obligation had been created in the first place. He wanted to know the basis on which the obligation had been created. If, for the sake of argument, the General Assembly did not approve of the appropriation, the question of how to pay for the obligation would then arise.

23. **Mr. Yeo** (Director of the Peacekeeping Financing Division, Office of Programme Planning, Budget and Accounts) said that the issue was not new. Some final performance reports had been submitted the previous year, however, thus allowing the Assembly to regularize the obligations and reduce the number of claims pending. The Assembly could not take financial action before the relevant performance reports were submitted. The amount of $39.9 million therefore remained in the accounts pending the submission of the outstanding final performance reports for UNOSOM and UNAMIR. As far as he was aware, the Department of Peacekeeping Operations was still negotiating with certain troop contributors with respect to a number of claims.

Agenda item 129: Financing of the United Nations Angola Verification Mission and the United Nations Observer Mission in Angola (A/55/844 and Corr. 1 and A/55/879)

Agenda item 130: Financing of the activities arising from Security Council resolution 687 (1991)

(a) United Nations Iraq-Kuwait Observation Mission (A/55/810, A/55/811 and A/55/874 and Add.2)

Agenda item 132: Financing of the United Nations Mission in Sierra Leone (A/55/735, A/55/853, A/55/869 and A/55/874)

Agenda item 133: Financing of the United Nations Interim Administration Mission in Kosovo (A/55/697, A/55/724, A/55/833 and A/55/874 and Add.6)

Agenda item 135: Financing of the United Nations Mission for the Referendum in Western Sahara (A/55/764, A/55/794 and A/55/874 and Add.7)

Agenda item 136: Financing of the United Nations Mission of Observers in Tajikistan (A/55/816 and Corr.1 and A/55/880)

Agenda item 137: Financing of the United Nations Preventive Deployment Force (A/55/390 and A/55/870)

Agenda item 138: Financing of the United Nations peacekeeping forces in the Middle East

(a) **United Nations Disengagement Observer Force** (A/55/747, A/55/778, A/55/874 and Add.1)

(b) **United Nations Interim Force in Lebanon** (A/55/757, A/55/874 and A/55/885)

Agenda item 140: Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters (A/55/840 and A/55/886)

Agenda item 143: Financing of the United Nations Peacekeeping Force in Cyprus (A/55/739, A/55/788 and A/55/874 and Add.3)

Agenda item 144: Financing of the United Nations Observer Mission in Georgia (A/55/682, A/55/768 and A/55/874 and Add.4)

Agenda item 148: Financing of the United Nations Mission in Bosnia and Herzegovina (A/55/683, A/55/752 and A/55/874 and Add.5)

Agenda item 150: Financing of the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti (A/55/667, A/55/753 and A/55/881)

Agenda item 152: Financing of the United Nations Mission in the Central African Republic (A/55/849 and A/55/884)

Agenda item 176: Financing of the United Nations Mission in Ethiopia and Eritrea (A/55/874)

Agenda item 153: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

(a) **Financing of the United Nations peacekeeping operations** (A/55/697, A/55/714, A/55/735, A/55/812, A/55/828, A/55/830, A/55/845, A/55/861, A/55/862, A/55/874 and Add.8, A/55/882, A/55/883 and A/C.5/55/40 and Corr.1)

24. **Mr. Halbwachs** (Controller), introducing the reports of the Secretary-General on financing of peacekeeping operations, pointed out that the Fifth Committee had before it the following 37 reports of the Secretary-General: performance reports for 15 peacekeeping missions for the period 1 July 1999 to 30 June 2000 (United Nations Observer Mission in Angola (MONUA), United Nations Iraq-Kuwait Observation Mission (UNIKOM), United Nations Mission in Sierra Leone (UNAMSIL), United Nations Interim Administration Mission in Kosovo (UNMIK), United Nations Transitional Administration in East Timor (UNTAET), United Nations Mission for the Referendum in Western Sahara (MINURSO), United Nations Mission of Observers in Tajikistan (UNMOT), United Nations Disengagement Observer Force (UNDOF), United Nations Interim Force in Lebanon (UNIFIL), United Nations Peacekeeping Force in Cyprus (UNFICYP), United Nations Observer Mission in Georgia (UNOMIG), United Nations Mission in Bosnia and Herzegovina (UNMIBH), United Nations Civilian Police Mission in Haiti (MIPONUH), United Nations Mission in the Central African Republic (MINURCA) and United Nations Observer Mission in the Democratic Republic of the Congo (MONUC)); a report updating the financial situation of the United Nations Peace Forces (UNPF), as requested by the General Assembly in resolution 54/269; a first-time proposed budget for MONUC for the period 1 July 2000 to 30 June 2001; budget estimates for seven peacekeeping missions for the period 1 July 2001 to 30 June 2002 (UNIKOM, UNMIK, MINURSO, UNDOF, UNFICYP, UNOMIG and UNMIBH); two reports on final disposition of assets (United Nations Preventive Deployment Force (UNPREDEP) and MIPONUH); and 11 reports dealing with administrative and budgetary aspects of the financing of peacekeeping operations (performance reports and proposed maintenance budgets for both the support account and the United Nations Logistics Base (UNLB) in Brindisi, report of the Secretary-General on implementation of the recommendations of the Board of Auditors, report on the experiences learned from the use of resident auditors at peacekeeping missions, report of the Secretary-General containing his comments on the

report of the post-Phase V Working Group on reformed procedures for determining reimbursement of contingent-owned equipment, report on progress made in clearing the backlog of claims for incidents of death and disability, report on the implementation of the field assets control system, report on measures taken to improve procurement activities in the field, and report on the participation of United Nations Volunteers in peacekeeping operations).

25. It had not been possible to finalize and submit realistic and detailed proposed budgets for the period 1 July 2001 to 30 June 2002 for five missions, namely UNAMSIL, UNTAET, UNIFIL, MONUC and the United Nations Mission in Ethiopia and Eritrea (UNMEE). In the meantime, alternative bridging financing was being requested for those missions.

26. Turning to the question of peacekeeping levels, he said that for the current period, 1 July 2000 to 30 June 2001, the General Assembly had approved $2.5 billion for all peacekeeping operations. At the current session, the Fifth Committee would be considering the first budget for MONUC, which amounted to approximately $140 million. If that budget was approved, the total level for peacekeeping operations for the year 2000/2001 would be $2.7 billion. He could not provide an indication of total budget requirements for the period July 2001 to June 2002, since five peacekeeping mission budgets were still pending. However, it could be assumed that, unless the mandates and/or concepts of operation of certain ongoing missions were curtailed or terminated, the overall budgetary level would be no less than the level of $2.7 billion for the current period. In addition, if one were to take into account the pending proposal in respect of recent increase in requirements for UNAMSIL, the full cost of MONUC, the support-account requirements potentially arising from further implementation of the report of the Panel on Peace Operations and for UNLB Brindisi, the overall level of peacekeeping requirements for the year 2001/2002 would more likely be between $3 billion and $3.4 billion.

27. Turning to the performance reports for the period 1 July 1999 to 30 June 2000, he said that expenditures against the total appropriations and commitment authorities of $1.7 billion for the various operations, had amounted to $1.5 billion, leaving an unencumbered balance of $176 million, or 13 per cent of the approved amount, which was available to be credited to Member States. The performance reports for the preceding period showed a balance of 7.7 per cent. Thus, there had been some slippage in the use of resources; however, in 1999/2000, peacekeeping requirements had more than doubled. A review of the 16 missions operating during that period showed that two thirds of them had utilized between 95 and 100 per cent of approved resources; two of them (UNMIK and UNTAET) had utilized 85 and 83 per cent respectively, so that the unencumbered balances stood at 15 and 17 per cent. It should be borne in mind that 1999/2000 had been the first full year of operation for UNMIK and UNTAET, and the under-expenditures in those missions could be attributed to the fact that deployment had proceeded more slowly than planned.

28. With regard to the budget estimates for the period 1 July 2001 to 30 June 2002, he noted that there would be 12 active peacekeeping missions. The Committee had before it the full budgets for UNIKOM, UNMIK, MINURSO, UNDOF, UNFICYP, UNOMIG and UNMIBH, which totalled $799.3 million. The budget for the same missions for the current period amounted to $801 million, so there was not much difference between the two periods. The budget for UNIKOM (A/55/811), of $54.2 million, represented an increase of $4.4 million, or 8.9 per cent, over the previous period. The increase was attributable to higher requirements for salaries of local staff and related common staff costs. It also reflected the outcome of further review of the mission's staffing establishment, which had resulted in proposals to downgrade two posts from P-5 to P-4 and internal redeployment of two Professional-level posts. Pursuant to the request of the General Assembly in resolution 54/18 B, the Secretary-General was proposing the conversion of nine General Service posts to eight local-level posts and one Field Service post, as well as the abolition of one General Service post. It should be noted that two thirds of the financing for UNIKOM was provided by the Government of Kuwait.

29. With regard to UNMIK (A/55/833), a budget of $448.8 million was proposed, which represented a reduction of $1.2 million, or 0.2 per cent. The Secretary-General was proposing a reduction of 20 General Service posts in Civil Administration and 58 local-level posts in the Security Section, taking into account the recommendations of the Advisory Committee. The General Assembly had requested a review of high-level posts, with a view to proposing

some reductions; however, it had not been possible to implement any reductions (A/55/833, paras. 40-47).

30. As stated in the report on MINURSO (A/55/794), the Secretary-General was proposing a five per cent increase from the current level of $46.6 million to $48.8 million. The increase was needed mainly to cover operational costs, in particular, the higher projected cost of air operations, replacement of vehicles and equipment, and staff-training programmes. For UNDOF (A/55/778), a slight reduction of $400,000 was proposed, bringing the budget down from $34.9 million to $34.5 million. The budget included a request for two new local-level posts. Pursuant to General Assembly resolution 53/226, the Secretary-General was proposing to credit back to Member States an amount of $4 million, which was the balance held in the support account. As requested by the General Assembly in resolution 54/266, the report also included information on further measures to improve the working conditions of the local staff (A/55/778, paras. 30-33).

31. The budget proposal for UNFICYP (A/55/788) provided for a small reduction of $20,000. The report projected a net decrease of 39 local-level posts, mostly resulting from the outsourcing of janitorial and catering services. The reduction was offset by the proposed establishment of two new local-level posts for Support Services and Procurement. He pointed out that the Government of Cyprus voluntarily financed one third of the cost of the operation, and the Government of Greece provided an annual voluntary contribution of $6.5 million. The budget proposal for UNOMIG (A/55/768) provided for a reduction of $1.4 million, which was made possible largely as a result of technical costing adjustments based on recent experience. The reduction was partially offset by the addition of 38 new posts (A/55/768, paras. 20-40).

32. The budget proposal for UNMIBH (A/55/752) provided for a reduction of $6.4 million, or 4.3 per cent, largely due to a reduction in the authorized civilian police strength of the mission. At the same time, the budget proposal provided for a net increase of 65 new posts, as a result of the abolition of 20 posts in the Judicial System Assessment Programme, whose mandate had expired in December 2000, and the conversion of 85 security guard posts to local-level posts, the replacement of three Field Service posts by three National Officer positions, and the replacement of 13 General Service and nine Field Service posts by 22 local-level posts. All those changes were consistent with the recommendations of the General Assembly.

33. It had not been possible to prepare full budget estimates for UNIFIL, UNAMSIL, UNMEE, UNTAET and MONUC. Consequently, pending submission of the detailed budgets at the fifty-sixth session, the Secretary-General was requesting bridging financing in accordance with the procedures established in resolution 49/233 A. The reasons for the inability to produce full budgets at the present time were detailed in his letter dated 22 March 2001 to the Chairman of the Advisory Committee, reproduced in annex V to the report of the Advisory Committee (A/55/874).

34. He wished to point out that, in any given year over the past several years, there had been no more than two or three missions in transition whose budgets had needed to be reviewed and adjusted more than once during the financial period. For the upcoming period, however, there would be five missions in transition for which bridging financing was needed. It was to be hoped that that would not be the case in future. The current situation served as a reminder of the unpredictable and volatile nature of peacekeeping operations. An important conclusion that could be drawn from the situation and the corresponding financial responses of the Advisory Committee and the Fifth Committee was that the budgetary mechanisms and procedures that the General Assembly had established in resolution 49/233 A had proven to be practical, flexible and durable. Indeed, that resolution had established a suitable framework for peacekeeping operations.

35. The performance report for the support account (A/55/861) showed expenditure of $38.3 million and a very small unutilized balance. The proposed budget for the period 1 July 2001 to 30 June 2002 (A/55/862) amounted to $73.6 million, including an unchanged staffing table of 562 posts. The budget had been prepared on a maintenance level, pending completion of the comprehensive review and capacity study that was currently in progress. When that study was completed, it would be submitted to the relevant legislative bodies for their review. The Secretary-General's requirement for the support account for the period 1 July 2001 to 30 June 2002 for the Department of Peacekeeping Operations and all other units affected by the support account would be submitted to the General Assembly prior to the opening of its fifty-sixth session.

36. The performance report for UNLB Brindisi (A/55/714) more or less matched the budget approved for the year 1999/2000. The proposed budget for the period 1 July 2001 to 30 June 2002 (A/55/830) was at maintenance level, pending completion of the review of the Base's concept of operations and related requirements.

37. The other reports before the Committee included the report on resident auditors (A/55/735) that had been requested by the General Assembly. In submitting that report, the Secretary-General had consulted with the Office of Internal Oversight Services, which had concurred on the substance of the report. There was a report on the participation of United Nations Volunteers in peacekeeping operations (A/55/697) and a report on UNPF (A/55/840), which included a recommendation that the General Assembly should continue temporary suspension of the provisions of Financial Regulations 4.3, 4.4 and 5.2 (d) in respect of the existing surplus of $174.7 million, in light of the chronic cash shortages of UNPF.

38. There were two reports on final disposition of assets, MIPONUH (A/55/667) and UNPREDEP (A/55/390). In the case of UNPREDEP, the Secretary-General was requesting the General Assembly to approve the donation of assets with a total inventory value of $1.7 million to the Government of the former Yugoslav Republic of Macedonia. The report in document A/C.5/55/40 and Corr.1 provided information on the progress made in 2000 in processing death and disability claims under the old and the new regimes. Pursuant to a request from the General Assembly, there was a comprehensive report on the use of the field assets control system (A/55/845), which provided information on the status of implementation and use of the system, longer-term strategy considerations and their potential related resource implications.

39. There was also a report on the reform of the procedure for determining reimbursement to Member States for contingent-owned equipment, drawn up by the post-Phase V Working Group (A/C.5/55/39). It was his understanding that the report had been transmitted to the Chairman of the Fifth Committee. The related comments of the Secretary-General were contained in document A/55/815. Part IV.C of the report of the post-Phase V Working Group related to its consideration of the current methodology underlying the calculation of standard rates of troop-cost reimbursement to troop-contributing States, including ways to produce timely and more representative data, as requested by the General Assembly in resolution 55/229. The Secretariat stood ready to assist the Fifth Committee during its deliberations on the matter.

40. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), in an introductory statement on peacekeeping operations, said that the reports of the Advisory Committee covered peacekeeping performance for the period ending 30 June 2000 and estimates for the period from 1 July 2001 to 30 June 2002. In addition, there were reports on the support account (A/55/882), on the financing of the Logistics Base in Brindisi (A/55/874/Add.8) and on rates of reimbursement to troop-contributing countries for troop costs and equipment (A/55/887). The report on the audit of peacekeeping missions for the period ended 30 June 2000 was in document A/55/878. In addition, the Advisory Committee had submitted reports on missions under liquidation covering, where appropriate, the disposition of assets. There were also reports on death and disability claims (A/55/883) and on resident auditors (A/55/828). The report in document A/55/874 contained the Advisory Committee's comments and recommendations on general subjects on the management of peacekeeping operations.

41. The general conclusion to be drawn from all the reports currently before the General Assembly was that, in comparison with the appropriations for the period ending on 30 June 2000, resources for peacekeeping operations might increase by more than 52 per cent for the period ending 30 June 2001. By the time budget estimates were finalized for the period ending 30 June 2002, the increase could reach more than 76 per cent over the level of appropriations for the period ending on 30 June 2000.

42. When the Advisory Committee had examined the reports of the Secretary-General, it had been informed that, while the General Assembly had appropriated $1,705,200 million for 1999/2000, total requirements for 2000/2001 could reach $2.6 billion. The Controller had increased that figure to $2.7 billion. The Committee had been informed that the corresponding amount for 2001/2002 could be approximately $3 billion; the Controller had increased it to $3.4 billion. Before the end of the current resumed session, a clearer picture for the current financial period would emerge

after a review of additional estimates for the Mission in the Democratic Republic of the Congo. In terms of troops, military observers and civilian police personnel, the monthly summary of personnel contributions had increased from 12,461 in March 1999 to 29,286 in March 2000 and 41,805 in March 2001. Currently the largest mission was UNAMSIL, with 17,500 authorized troop strength.

43. During the first surge in United Nations peacekeeping operations, between 1990 and 1995, many changes had been introduced at both the Secretariat and the legislative levels. Those changes had included the establishment of a separate cycle for the formulation and approval of peacekeeping budgets, including a larger commitment authority granted to the Secretary-General to enable him to react quickly to actions by the Security Council. The General Assembly had established a peacekeeping reserve fund, a support account with increased support staff at Headquarters and the Logistics Base in Brindisi. It had also approved new reimbursement procedures for military equipment.

44. The streamlined budget-preparation changes and closer coordination between the Headquarters and field operations introduced in the Secretariat had considerably improved the capacity of the Secretariat to manage peacekeeping operations. The respective Secretariat officials in the Department of Peacekeeping Operations and in the Department of Management should be commended for the considerable progress that had been achieved so far. The legislative changes introduced by the General Assembly had enabled the Advisory Committee and the Fifth Committee to examine peacekeeping budgets in a more orderly manner. The Advisory Committee had stressed the importance of ensuring that those reforms were adhered to by the Secretariat and by Member States.

45. In spite of the progress achieved, the Advisory Committee had pointed out in its reports many areas in which continuous evaluation of the adequacy and efficiency of current methods and procedures was needed. The report of the Panel on United Nations Peace Operations (A/55/305-S/2000/809) was part of that continuous evaluation.

46. The general report of the Advisory Committee (A/55/874) included comments on areas that needed further improvement. There was an urgent need to improve the capacity of the Secretariat to recruit and place civilian personnel in missions in a timely manner. The bulk of the unencumbered resources for peacekeeping operations resulted from high vacancies in civilian personnel. Although progress had been made, more improvement was required. In that regard, the Secretariat could learn from the experience of other partners in the United Nations system, including funds and programmes and the United Nations Volunteer programme. The way some of those agencies and funds and programmes compiled and managed human-resource databanks and rosters could provide useful lessons to the Secretariat. There was need for more efficiency in operational activities, especially in procurement, inventory management and use of resources approved for communication and for electronic data-processing programmes. The management of the new contingent-owned equipment procedures required considerable improvement. There was also a need for the Secretariat to assess its capacity to manage more efficiently the liquidation of missions.

47. On peacekeeping performance reports, the Advisory Committee recommended that the unencumbered balance of $175.2 million for the period ending 30 June 2000 should be credited to Member States in the manner indicated in the Committee's relevant reports. The report of the Advisory Committee on the performance report on UNTAET would be submitted to the fifty-sixth session of the General Assembly. However, the Committee recommended that a decision should be made at the current resumed session to credit Member States with the unencumbered balance of $57,989,900.

48. Performance reports showed that non-receipt of assessed contributions not only affected timely reimbursement to troop-contributing countries, but also seriously distorted the cash-flow situation of the missions concerned. For example, in view of the chronic cash shortage, the Advisory Committee had again recommended that the financial regulations should be suspended to allow the retention of $174.7 million as the unencumbered balance of appropriations for the United Nations peacekeeping forces in former Yugoslavia (A/55/886, para. 7).

49. The Advisory Committee had reviewed the budgets of seven missions totalling $799.4 million for the period from 1 July 2001 to 30 June 2002 (A/55/874, annex II A). As indicated in its relevant reports, the Committee recommended approval of the Secretary-General's estimates with minor modifications. The recommendation on UNMIK for

$400 million would be subject to review in the context of revised estimates to be submitted to the Committee during its session in February and March 2002.

50. Estimates for five missions, totalling approximately $1.6 billion (A/55/874, annex II B) would be submitted to the General Assembly at its fifty-sixth session. In the meantime, the Advisory Committee recommended resources for four missions, namely, UNIFIL, UNMEE, UNAMSIL and UNTAET, for the period from 1 July to 31 December 2001, as set out in its general report (A/55/874, para. 10).

51. The Advisory Committee would shortly take up the estimates for the mission in the Democratic Republic of the Congo for the period ending 30 June 2001. The estimates for MONUC for the period ending 30 June 2002 would be submitted to the General Assembly at its fifty-sixth session. The Advisory Committee would recommend resources for the period from 1 July to 31 December 2001 in the context of its report on the estimates for the mission for the period ending 30 June 2001.

52. The Advisory Committee recommended acceptance of the proposals of the Secretary-General on the support account to assess $75.8 million (A/55/882) and on the Logistics Base in Brindisi, $8.9 million (A/55/874/Add.8). The resources for those two items would be affected by the results of the studies currently under way to implement the recommendations in the report of the Panel on United Nations Peace Operations (A/55/305-S/2000/809), as approved by the General Assembly. In order to avoid distortions in the assessment of the support-account appropriations, the Committee had recommended in its report (A/55/882, para. 27) a refinement of the procedure used to prorate the support account assessments to peacekeeping budgets.

53. The report of the Advisory Committee in document A/55/887 contained brief comments and recommendations on the reports on reimbursement for contingent-owned equipment (A/55/815 and A/C.5/55/39). The report also included, in paragraphs 7 to 14, comments and recommendations on rates of reimbursement for troop costs. If the recommendations submitted by the post-Phase V Working Group in document A/C.5/55/39 on revised reimbursement rates for equipment were accepted by the General Assembly, the financial effect should be shown either in performance reports or in budget estimates, as pointed out in paragraph 4 of the Committee's report.

54. The Advisory Committee had examined again the subject of rates of reimbursement to troop-contributing countries for troop costs. It had noted that, while the post-Phase V Working Group had taken up the subject, no agreement had been reached on specific recommendations to the General Assembly. The Committee, after a careful review, and in order to assist Member States in their effort to reach a broad political compromise at the current stage, had decided to recommend that the General Assembly might wish to consider, as an ad hoc arrangement, an increase in the rates of reimbursement of between 4 and 6 per cent. The Committee had also recommended that consideration should be given to having recourse to a group of qualified individuals who would study and make proposals on the methodology and the elements on which it was based.

55. The effect on the unit cost for troop reimbursements was shown in the annex to the report of the Advisory Committee (A/55/887). The effect on the budgets for peacekeeping operations would be reflected either in performance reports or in budget estimates, as stated in paragraph 14 of the report.

56. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services (OIOS) on the management audit of United Nations civilian police operations (A/55/812), said that the civilian police component of United Nations peacekeeping operations had experienced significant growth over the previous two years, in both the size and scope of its activities. Authorized staffing had increased from about 2,200 to more than 8,600, and the scope of activities had shifted from monitoring functions to full law enforcement authority. The expansion and institutionalization of civilian police operations had made it vital to ensure their efficient and effective management.

57. OIOS had reviewed various aspects of civilian police operations at the United Nations peacekeeping missions in Bosnia and Herzegovina, East Timor and Kosovo, and the overall management of civilian police activities by the Department of Peacekeeping Operations. The audit had been carried out concurrently with a study conducted by the Panel on United Nations Peace Operations, and he was pleased to note that their findings had been similar.

58. OIOS had found that daily police operations were being managed satisfactorily, but that civilian police management lacked the capacity to make significant improvements in the effectiveness and efficiency of operations. Several positive accomplishments were worth noting: the integration of civilian advisors into the police commissioner's office; the establishment of the police training college in East Timor; the establishment of a joint patrol and co-location programme involving local police in Bosnia; and the development of databases for crime statistics and logistics tracking in Kosovo. OIOS had also found that civilian police had been able to overcome tense and difficult conditions in the field in support of the United Nations mandate.

59. Additional steps should nonetheless be taken to improve operational effectiveness and efficiency. A comprehensive civilian police strategy should be developed, which would establish a methodology for calculating police strength, provide for a common civilian police identity in all missions, establish performance measures and mechanisms for learning from experience, and should articulate how information technology would be used to facilitate the management of civilian police at headquarters and in the missions.

60. OIOS had also found that the structure, reporting lines and staffing strength of the civilian police unit had impaired its ability to manage operations, that staffing constraints had prevented the establishment of a policy and planning function and the development of management information systems, and that the level and reporting line of the Civilian Police Adviser limited his ability to negotiate for resources and to advise senior managers on civilian police matters.

61. It noted, as well, that the selection and recruitment criteria of missions had remained unchanged without regard for changes in the mission environments and the skills required to accomplish changing mandates. Such criteria should be revised in accordance with routine reports from mission police commissioners. In addition, it had found that the frequent rotation of senior managers had had a detrimental effect on key policing projects and alliances formed with external agencies and community leaders, and had determined that such managers should consequently be employed for longer periods. Training and developing a cadre of "United Nations certified" civilian police for rapid deployment and using selection assistance teams to train civilian police in their home countries were other possible ways of improving police performance. OIOS had also found that resources utilization needed improvement. In particular, skilled civilians or non-commissioned civilian police officers should be used for non-policing and administrative roles, in order to increase the number of officers available for policing duties.

62. Civilian police could play an active role in securing law and order within post-conflict environments, and were thus becoming central elements in peacekeeping missions. It was essential for measures to be taken to ensure that the obstacles impeding the ability of the growing numbers of civilian police to function effectively were removed. The report offered practical recommendations for overcoming such impediments and for enhancing the effectiveness of operations. OIOS was pleased that the Department of Peacekeeping Operations had, in general, accepted its recommendations, and had in some instances taken steps to implement them.

63. Introducing the Secretary-General's report on experiences learned from the use of resident auditors at peacekeeping missions (A/55/735), he said that the report had been submitted in response to General Assembly resolution 54/241, which, inter alia, had requested a report on the implications of the formula proposed by OIOS to determine the optimum number and salary level of resident auditors that should be deployed to each mission. The formula called for the establishment or addition of a resident auditor post at the P-3 or P-4 level for every $100 million of a mission's annual budgeted expenditure, and for the assignment of an auditing assistant at the G-6 or G-7 level for missions with annual budgets exceeding $200 million.

64. The Advisory Committee had endorsed the use of that formula for UNAMSIL (A/54/647) and UNTAET (A/55/531), and, accordingly, had recommended the establishment of two resident auditor posts for UNAMSIL and four for UNTAET. One of the proposed UNTAET posts was at the P-5 level, in view of the mission's nature, structure and troop strength. The current report of the Secretary-General proposed that the OIOS formula should be applied to all missions with annual budgets of over $100 million and that the resident auditor teams in UNAMSIL and UNMIK should be headed by resident auditors at the P-5 level, owing to the missions' size, structure and complexity.

65. Should the OIOS formula be applied to all peacekeeping missions, the total number of resident auditor posts would increase from 13 to 18 and the number of auditing assistant posts would increase from 3 to 4. However, OIOS would deploy resident auditors only after conducting a detailed risk assessment of each mission to determine the optimum number of auditors actually required.

66. In its report (A/55/828), the Advisory Committee had requested the Board of Auditors to review the adequacy of the resident audit function in the missions it audited. OIOS would cooperate fully with those reviews. It agreed with the Advisory Committee that prior United Nations auditing experience should not necessarily be a prerequisite for the selection of resident auditors. Some of the Office's resident auditors had had no prior United Nations experience, but had been able to adapt to the Organization's needs as a result of their extensive auditing background, the orientation provided at Headquarters and their on-the-job experience in missions.

67. The OIOS formula was a useful guide for determining the number and level of resident auditors needed to provide adequate internal audit coverage in large peacekeeping missions. He hoped that the Committee would endorse the findings and conclusions of the Secretary-General's report.

68. **Mr. Norström** (Sweden), speaking on behalf of the European Union and the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Romania, Slovakia and Slovenia, said that the commitment of the European Union and associated countries to peacekeeping was illustrated by their contributions of troops, civilian police and other personnel to peacekeeping missions, their contribution to the training of peacekeeping personnel and their large and recently increased share of the financing of peacekeeping operations, which currently represented over 40 per cent of the peacekeeping budget. The capacity of the Organization, and particularly of the Department of Peacekeeping Operations, to plan, deploy and manage peacekeeping operations must be strengthened, and the new components of those operations, such as institution-building, human rights and the rights of children in armed conflicts, should be taken into account.

69. The European Union noted that the budgets for four of the largest missions would be submitted to the General Assembly at its fifty-sixth session. The European Union underlined the importance of adhering to normal peacekeeping budget cycles, and requested further clarification from the Secretariat in that regard. In view of the trend towards higher expenditure on peacekeeping, precise forecasting was crucial so that Member States could plan resource requirements at an early stage. The European Union therefore hoped that, at the current part of the resumed session, the Secretariat would give Member States an outline of trends in expected peacekeeping expenditure beyond the following fiscal year. At the same time, it was willing to accept the Secretary-General's proposed bridging actions for the missions in question, as outlined in paragraph 10 of the Advisory Committee's report (A/55/874).

70. The European Union agreed with the Advisory Committee's conclusion (A/55/874, para. 30) that an effective procedure was needed for ascertaining the capacity of troop contributors to meet the requirements of wet-lease and self-sustainment provisions when that option formed part of contingent-owned equipment arrangements. Some countries were having difficulty in that regard, and a remedy for the situation must be sought. In addition, the European Union agreed with the Advisory Committee (para. 42) that the Secretariat should consider ways of making greater use of United Nations Volunteers in peacekeeping operations, especially in substantive areas. The roster system used by the United Nations Volunteers could serve as a useful model for the Secretariat. With respect to procurement and inventory management, lack of procurement planning and inadequate staff training were causes of concern. The use of the field assets control system in all peacekeeping missions should result in better control of United Nations property.

71. The European Union endorsed the Secretary-General's recommendations on the support account budget for the period from 1 July 2001 to 30 June 2002 (A/55/862), in the light of the General Assembly's decision to fund, through the support account, 93 additional posts in the Department of Peacekeeping Operations and related non-post requirements for the first six months of 2001. The European Union shared the Advisory Committee's view (A/55/882, para. 10) that urgent measures were needed to speed up the recruitment process so as to fill the new posts as

quickly as possible. The allocation of additional space to that Department should be considered on a priority basis. The European Union also shared the Advisory Committee's concern (para. 15) about the deterioration of the Secretariat's capacity to handle current liquidation and to eliminate backlogs in areas such as claims and information and personnel management services. It supported the Advisory Committee's proposal (para. 27) that the most realistic prospective level of resources should be used in prorating resources among missions for which commitment authority had been granted.

72. Increasing demands were being placed on the United Nations Logistics Base at Brindisi, which played an important role by maintaining start-up kits in a state of readiness, by functioning as a communications hub for peacekeeping missions worldwide and by serving as a training centre for peacekeeping personnel. The European Union concurred with the Advisory Committee's observations and recommendations, particularly those contained in paragraph 11 of its report (A/55/874/Add.8), and looked forward to the forthcoming review of the potential expansion of the Base's role.

73. Many improvements had been made in the management of peacekeeping operations, particularly in areas where the Board of Auditors had drawn attention to the need for adherence to regulations and rules. The late issuance of the Board's report was therefore regrettable. It would be useful for each mission to set its own objectives in relation to its administration. Those objectives could then be reported on in each budget submission. The objectives could either be derived from objectives set at Headquarters in response to the Board's recommendations, such as in the area of standardizing assets, or be set individually by each mission, such as in the areas of contingent-owned equipment verification, award of contracts, reporting on vendor performance or managing the field assets control system. Missions could also report on how vacancies affected the attainment of their objectives.

74. **Mr. Assaf** (Lebanon) said that, since the Secretary-General's report on the financing of UNIFIL had not yet been issued, he would like to know what arrangements would be made to fund that mission for the next financial period. He also asked whether the Committee would adopt a draft resolution on the financing of UNIFIL at the current part of the resumed session.

75. **Mr. Yeo** (Director of the Peacekeeping Financing Division, Office of Programme Planning, Budget and Accounts) said that, pursuant to the practice established by General Assembly resolution 49/233 A, commitment authority had been requested in respect of UNIFIL, UNAMSIL, UNTAET and UNMEE for resources equivalent to about half of the current approved levels for those missions to cover resource requirements for the last six months of 2001. That would give the Secretariat time to prepare detailed budget proposals for submission to the Assembly at the main part of its fifty-sixth session, and would enable the Secretariat to take prospective developments into account in preparing the proposals.

76. **The Chairman** said that, at the current part of the resumed session, the Committee would adopt a draft resolution on the financing of UNIFIL for the last six months of 2001.

77. **Mr. Nakkari** (Syrian Arab Republic) said that he shared the views expressed by the representative of the Islamic Republic of Iran, speaking on behalf of the Group of 77 and China, with respect to the organization of the Committee's work. His delegation would make a statement on the financing of UNDOF at the Committee's next meeting on the subject, and he hoped that a representative of the Advisory Committee would be present during the discussion on that item to help shed light on the points which the Syrian delegation intended to raise.

78. The Controller, in introducing the Secretary-General's reports on the financing of a number of peacekeeping operations, had mentioned that the Secretariat was proposing the conversion of some General Service posts to local-level posts as a cost-cutting measure. His delegation would like further clarification of that proposal.

79. With respect to missions for which budgets had not been submitted because of recent and prospective developments that could affect their mandates, including UNIFIL, he would have preferred to receive a formal report on all relevant issues, such as vacancies and financial needs, instead of a request to approve temporary funding for an interim period of six months.

80. He reiterated the request, which his delegation had made repeatedly during the fifty-fifth session, for

information on any tangible measures taken by Israel to provide compensation for the bombing of the refugee centre at Qana.

81. He noted the importance which the Advisory Committee attached to the need for greater mobility of peacekeeping personnel and to the consideration of the impact of mobility and mission loans (A/55/874, paras. 34 and 35). In that connection, the Committee should not take a definitive position on the use of United Nations Volunteers in peacekeeping operations until it had considered the issue in greater depth. With respect to the information concerning UNIFIL contained in paragraph 1 of the appendix to the Advisory Committee's report (A/55/874), he noted that the Security Council had decided to consider any steps it deemed appropriate regarding UNIFIL and UNTSO on the basis of a detailed report to be submitted by the Secretary-General by 30 April 2001. He recalled that UNTSO, unlike peacekeeping operations, was financed on the basis of the budget resolution adopted by the General Assembly every two years.

82. **Mr. Gruzdev** (Russian Federation) said that the primary aim of UNMIK was to ensure the full implementation of Security Council resolution 1244 (1999). The mission was to provide transitional administration while overseeing the development of provisional democratic self-governing institutions. Its activities were based on four pillars: civil administration, humanitarian assistance, institution-building and economic reconstruction. His delegation approached the issue of the mission's financing with a view to ensuring its success and the effectiveness of its work in those four areas.

83. The proposed budget for UNMIK for the period from 1 July 2001 to 30 June 2002 amounted to $448 million, which represented a small (0.2 per cent) decrease in total resources in relation to the apportionment for the current period. His delegation understood that the Secretariat intended to submit a revised budget estimate based on the priorities for the coming months, as identified by the new Special Representative of the Secretary-General, and on the timing and budgetary implications of the forthcoming Kosovo-wide elections.

84. The Advisory Committee's indication that the arrival of a new Special Representative should not automatically lead to a complete revision of the level of appropriations was logical, since the mission's mandate and principal tasks remained unchanged. With respect to the forthcoming elections, the necessary security conditions must be provided to guarantee the genuinely democratic expression of the will of all ethnic communities in Kosovo and a stable process of return of refugees and displaced persons. Careful preparations must therefore be made for those elections; otherwise, the elections would be neither representative nor just, and the resources allocated for that purpose would be wasted.

85. Even taking into account the forthcoming elections, every effort should be made to keep the mission's resource requirements within the total initial estimate. His delegation supported the Advisory Committee's observations and recommendations on the mission's cost estimates, in particular the recommendation that the appropriation should be limited to $400 million, and the comments on administrative problems with the mission's financing and practical functioning. In the informal consultations to be held on the issue, his delegation hoped to receive additional clarifications from the Secretariat on the proposed travel costs of the mission, which seemed excessive in view of the availability of modern telecommunications.

86. **The Chairman** said that a discussion of those items would resume at the next meeting. He invited the Controller to reply to questions raised.

87. **Mr. Halbwachs** (Controller), replying to questions raised by the Syrian Arab Republic, said that, at the urging of the Administrative Committee on Coordination, the General Assembly had recommended that, wherever possible, posts should be converted to local status. The current budgets made that proposal in two instances in the case of eight General Service posts at UNIKOM, and 13 General Service posts at UNMIBH. He would be glad to elaborate during the informals. No such proposal had been made for UNDOF; although the establishment of two new local posts had been included in the budget of that mission; the details appeared in the report of UNDOF (A/55/778).

88. A full budget had not been provided for UNIFIL, because in January the Security Council had extended the mandate of that mission only through July 2001, and had decided to restore it to its previous strength by the same date. It had also decided to review and consider the future of the mission, and to discuss

whether to extend the mandate through December 2001. In the light of the uncertainty, it had been considered best not to circulate a report on UNIFIL for the period in question. A formal decision would have to be made; at that time the Committee would consider related budgetary questions.

89. He took note of the question raised by the Russian Federation regarding UNMIK, and would address that matter as well during the informal discussions.

90. **Mr. Nakkari** (Syrian Arab Republic) said that his delegation had also inquired whether Israel had paid compensation for the bombing of the refugee centre in Qana.

91. **Mr. Halbwachs** (Controller) said that no money had been received from Israel in that regard.

92. **Mr. Assaf** (Lebanon) said that his delegation would like the next draft resolution on financing to include a paragraph regarding Israel's failure to pay the costs arising from that incident.

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 123: Human resources management (*continued*) (A/55/798 and Add.1)

93. **Mr. Mezzalama** (Joint Inspection Unit (JIU)), introducing the report on young professionals in selected organizations of the United Nations system: recruitment, management and retention (JIU/REP/2000/7), circulated in document A/55/798, said that it had resulted from an extensive review of documentation and statistics, and from close consultations and exchanges of views with the nine organizations, agencies, funds and programmes that had a critical mass of more than 2,000 members of staff. The Inspectors had reviewed the comments made by the Administrative Committee on Coordination (ACC), in document A/55/798/Add.1, and had noted a wide convergence of views on the issues covered by the report. They concurred, in particular, with the introductory remarks, which stressed that the international civil service was now operating in a completely different world, one in which the United Nations organizations faced stiffening competition from other global employers. In consideration of the modern information and communication technologies and the insistence by Member States on the efficient use of resources, it was imperative for those organizations to rejuvenate their workforces and re-engineer the management of their human resources.

94. The hiring of young qualified staff to replace retiring staff, and the retention of the best of the young recruits was not, however, guaranteed. The Secretary-General had noted that there were currently more resignations than retirements, mostly at the P-2 and P-3 levels. The report emphasized that the ability of the system to attract and retain applicants with the right skills was the crucial issue.

95. Since the preparation of the report had been hampered by a lack of statistics on separation of Professional staff by type of separation and by grade, JIU recommended that such additional information and data should be made available to ACC. It was important to monitor trends so as to ensure that the United Nations system could develop and retain promising staff to succeed the current leadership. The recommendations stressed the need to reduce the age of recruitment and to review the adequacy of the age limits imposed for the National Competitive Recruitment Examination (NCRE), to speed up the recruitment processes, to focus on the need to accelerate the placement of candidates who had placed well in the examination, and for Member States to cooperate effectively in the organization of the examination, particularly in its publicity.

96. The report also demonstrated that insufficient structures for the integration, orientation and development of new staff restricted the ability of such staff to make significant contributions to the United Nations organizations, leading to their disenchantment. Furthermore, since civil services could not compete effectively with the private sector in the conditions of service they could offer to staff, job satisfaction was essential in keeping staff motivated and interested. The report's recommendations also called for the establishment of structures and mechanisms to ensure the integration, development and mobility of young professionals, including opportunities to pursue studies and research in fields of relevance to their work, through study-leave programmes and part-time schemes; in that regard, the comments by ACC regarding recommendation 7 might be misleading, since there was no suggestion that junior professionals should be given priority over other staff members. The report aimed to remove seniority requirements for

external training programmes, and to highlight the need to encourage the acquisition of knowledge. JIU welcomed, however, the support of ACC for the development of a common system orientation training programme through the United Nations Staff College.

97. Lastly, the JIU report expressed regret that too few measures had been implemented to foster a work environment that would further the goals of the "work/family agenda", adopted by the United Nations common system in 1995. JIU welcomed steps taken since the issuance of its report, including the worldwide survey on work and life issues, efforts to extend the Participating Agencies Mobility System (PAMS) and the adoption by the World Health Organization of a provision for paternity leave, on a trial basis. Much, however, remained to be done. The final recommendation listed steps that should be taken to remedy the lack of spouse employment, a major cause of resignations.

98. In conclusion, he said the system as a whole was becoming increasingly aware of the need for innovative approaches to recruitment, competence nurturing, staff development, conditions of service and staff motivation. Member States should encourage and monitor the ongoing process of promoting the retention of young professionals, one of the Organization's best assets.

99. **Ms. Salim** (Assistant Secretary-General for Human Resources Management), introducing the note by the Secretary-General (A/55/798/Add.1) on the report of JIU on young professionals in selected organizations of the United Nations system: recruitment, management and retention (A/55/798), said that, since the report covered a number of organizations in the United Nations system, the comments submitted by the Secretary-General were those of ACC. The Secretary-General highly appreciated the work of JIU concerning young professionals, a major focus of his human resources management reform programme. It was, however, as ACC had pointed out, important to recognize that the various organizations had different mandates, structures, and workforce sizes, and that therefore there was no single ideal approach for all. Requirements and strategies must be matched to the programme needs of each organization.

100. All organizations were increasingly aware that effective recruitment, management and retention of staff were the cornerstone to improved organizational performance, which touched on such areas as competency-based selection, training and development, compensation, career management and the "work/family agenda". Innovative approaches were being explored throughout the system, and the sharing of best practices was proving useful. In respect of the United Nations, the Secretary-General had emphasized the need to rejuvenate the Organization, to promote the careers of staff with ability and potential, to bring in needed skills, and to improve geographical and gender representation. He welcomed the recommendations of JIU concerning recruitment and development of young professionals.

101. He also welcomed the comments concerning the National Competitive Recruitment Examination (NCRE), a confidential process which had proven to be cost-competitive, had improved geographical and gender balance, and had had a positive impact on the quality of recruits. The Secretary-General was taking steps to address areas of concern, including the need to streamline the examination process and to speed up the placement of candidates on the roster. His reform programme specifically focused on broadening career development opportunities for junior professional staff, including special orientation and development programmes and a managed reassignment programme for P-2 staff to promote mobility and support growth.

102. One concern was worth mentioning. The report noted that between 1 July 1998 and 30 June 1999, a third of the 113 resignations of Professional staff had been at the P-2 level. And yet, the large majority of those staff had been on fixed-term contracts or appointments of limited duration. The number of P-2 staff holding NCRE positions that had resigned was only 6; resignations of such staff had in fact declined in recent years. The Secretary-General welcomed the emphasis in the report on the "work/family agenda" and on spouse employment, and was actively pursuing ways to facilitate the latter in all duty stations. The recommendations of JIU would reinforce his efforts in that regard.

The meeting rose at 6 p.m.

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Summary record of the 59th meeting
Held at Headquarters, New York, on Tuesday, 8 May 2001, at 3 p.m.

Chairman: Mr. Rosenthal ..... (Guatemala)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 123: Human resources management (*continued*)

Agenda item 129: Financing of the United Nations Angola Verification Mission and the United Nations Observer Mission in Angola (*continued*)

Agenda item 130: Financing of the activities arising from Security Council resolution 687 (1991) (*continued*)

(a) United Nations Iraq-Kuwait Observation Mission (*continued*)

Agenda item 132: Financing of the United Nations Mission in Sierra Leone (*continued*)

Agenda item 133: Financing of the United Nations Interim Administration Mission in Kosovo (*continued*)

Agenda item 135: Financing of the United Nations Mission for the Referendum in Western Sahara (*continued*)

Agenda item 136: Financing of the United Nations Mission of Observers in Tajikistan (*continued*)

Agenda item 137: Financing of the United Nations Preventive Deployment Force (*continued*)

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01-36445 (E)

Agenda item 138: Financing of the United Nations peacekeeping forces in the Middle East (*continued*)

(a) United Nations Disengagement Observer Force (*continued*)

(b) United Nations Interim Force in Lebanon (*continued*)

Agenda item 140: Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters (*continued*)

Agenda item 143: Financing of the United Nations Peacekeeping Force in Cyprus (*continued*)

Agenda item 144: Financing of the United Nations Observer Mission in Georgia (*continued*)

Agenda item 148: Financing of the United Nations Mission in Bosnia and Herzegovina (*continued*)

Agenda item 150: Financing of the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti (*continued*)

Agenda item 152: Financing of the United Nations Mission in the Central African Republic (*continued*)

Agenda item 176: Financing of the United Nations Mission in Ethiopia and Eritrea (*continued*)

Agenda item 153: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

(a) Financing of the United Nations peacekeeping operations (*continued*)

The meeting was called to order at 3.10 p.m.

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 123: Human resources management (*continued*) (A/55/798 and Add.1)

1. **Mr. Lenefors** (Sweden), speaking on behalf of the European Union and noting that the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Romania, Slovakia and Slovenia aligned themselves with his statement, said that any discussion of the reform of human resources management at the United Nations and across the United Nations system must take into consideration the situation of young professionals. The fact was that there seemed to be more resignations at the low or medium level of professional staff than retirements and that there were doubts regarding the capacity of the Organization to fill the vacuum left by that attrition.

2. The report highlighted the need to improve conditions of service. The European Union acknowledged the importance of a career perspective and the continued development of mentoring, which would increase the motivation of staff and encourage them to stay on. The resignations of qualified staff members whose recruitment had involved an extensive and costly process represented a serious loss for the Organization.

3. It was also essential to speed up recruitment, including from the roster, as recommended in the report. Successful candidates in the national competitive examination were not willing, or sometimes, not able, to wait for an extended period of time for a call from the United Nations if other opportunities arose in the meantime. The Office of Human Resources Management should therefore continue to devote serious efforts to improving its recruitment system.

4. **Mr. Mirmohammad** (Islamic Republic of Iran), speaking on behalf of the Group of 77 and China, welcomed the report of the Joint Inspection Unit on young professionals in selected organizations of the United Nations system: recruitment, management and retention contained in document A/55/798 and largely endorsed its recommendations.

5. Regarding recommendation 3 on the speeding up of recruitment processes by imposing strict deadlines for the review of applications by managers and the placement of candidates, he said that deadlines should not be so tight as to be counterproductive. He sought clarification from the Secretariat on the likely implications of the proposal in recommendation 4 (b) that, in order to reduce the number of candidates currently on rosters, examinations should automatically be suspended in occupational groups for which the roster exceeded a predetermined number of candidates. He expressed surprise that, while the General Assembly had yet to take a decision on mobility, recommendation 8 called for greater mobility not only between departments but also between duty stations and referred to a Managed Reassignment Programme, as though a concept of mobility was already in place.

6. Lastly, he noted with concern the comment of the Advisory Committee on Coordination in paragraph 4 of document A/55/798/Add.1 that zero nominal growth over the past decade had impacted negatively on organizations' capacity to design organizational structures and jobs suitable for young professionals. There was also a need to take into account, in that connection, the evolving expectations of the younger workforce with respect to such things as opportunities to develop skills, chances for promotion and spouse employment.

7. He wondered why the report of the Joint Inspection Unit on the delegation of authority for management of human and financial resources in the United Nations Secretariat had not been included in the most recent programme of work. Nor did he understand the reasons for the late submission of the Secretary-General's comments on a report. Had they been submitted on time, both JIU reports could have been considered in the context of the draft resolution on human resources management.

8. **Ms. Salim** (Assistant Secretary-General for Human Resources Management), said that the Managed Reassignment Programme had been introduced with a view to broadening the career development prospects of staff recruited at the P-2 level under National Competitive Recruitment Examinations. It was covered under Staff Regulation 1.2 (c) and was applicable to P-2 staff recruited as from the beginning of 2000, who were expected to carry out two different functions, generally at two different duty stations, in their first five years of service. Staff

recruited prior to that time could apply for such transfers on a purely voluntary basis. Other aspects of staff mobility had not been implemented pending the outcome of the General Assembly resolution on the Secretary-General's reform package.

9. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), said that, on adopting the agenda for its current session, the Advisory Committee had decided to consider reports of the Joint Inspection Unit under the relevant sections of the proposed programme budget. Thus, the report on the review of management and administration in the Registry of the International Court of Justice (A/55/834 and Add.1) would be considered under section 7 and the report on the United Nations system common services at Geneva (A/55/856) would be taken up under the relevant subsection of section 27 on the United Nations Office at Geneva. The report entitled "Report of the Joint Inspection Unit on young professionals in selected organizations of the United Nations system: recruitment, management and retention" (A/55/798 and Add.1) as well as the report on the delegation of authority for management of human and financial resources in the United Nations Secretariat (A/55/857) would be considered under section 27C of the proposed programme budget for the biennium 2002-2003. Indeed, the Fifth Committee had already taken a decision concerning the recruitment of young professionals, within the context of the rejuvenation of the Organization, on which there had been an exchange of views with the Secretary-General the preceding day.

10. In its report on human resources management reform, accountability and responsibility, personal practices and policies and management irregularities, the Advisory Committee had stressed the importance, in formulating and implementing human resources action plans, of giving priority to ensuring a systematic rejuvenation of the Secretariat and of retaining younger staff, particularly in the light of the age profile of the staff in the Organization (A/55/499, para. 5). Its general comments on the issue of rejuvenation had been made within the context of the reports of the Secretary-General on human resources management reform (A/55/253); the matter would be considered again under the proposed programme budget.

11. Should the Committee decide to consider the report on delegation of authority from a policy perspective, that would not preclude it from analysing the report under section 27C of the proposed programme budget. The Advisory Committee had commented on the issue of delegation of authority, particularly in chapter I of its first report on the proposed programme budget for the biennium 2000-2001; it took the issue very seriously. In fact, a number of Joint Inspection Unit's comments virtually reproduced those of the Advisory Committee.

12. **Mr. Mezzalama** (Joint Inspection Unit) said that while the report of the Joint Inspection Unit provided an overview of the situation and problems in the various entities of the United Nations system with regard to the recruitment of young professionals, it was in no way intended to impose standards, rigid rules or strict principles on individual organizations. It was encouraging that at least some of the professionals who had resigned had been recruited under temporary contracts. The decline in resignations of permanent staff members was also a very positive sign. JIU had been given assurances that every effort was being made to shorten the roster and accelerate the placement of candidates who had passed the National Competitive Recruitment Examination. The very sensitive issue of accompanying family members must be addressed urgently; young professionals forced to choose between family and work accounted for a considerable proportion of resignations.

13. Replying to the representative of the Islamic Republic of Iran, he said that, while rigid deadlines could be counterproductive, some form of action must be taken to reduce the waiting time for successful candidates on the roster. Consistent with recommendation 4 (b), greater attention would be paid to the Organization's needs in various professional areas before administering examinations. The application of that measure had thus far shrunk the waiting list considerably. The question concerning recommendation 8 had already been explained by the Assistant Secretary-General for Human Resources Management.

14. **Mr. Abdalla** (Libyan Arab Jamahiriya) said that, while young professionals deserved to have opportunities, the Organization must not overlook its own need for very experienced staff members in many cases, nor should it disregard the dedicated service of its own ageing staff members. It could not in good conscience convene a Second World Assembly on Ageing, which would advocate, inter alia, employment for older persons, if it did not treat its own staff

properly. Instead of replacing older staff members, it should provide them with training in the use of new technology and in other areas necessary to keep pace with modern developments. Citing Article 8 and Article 101, paragraph 3, of the Charter of the United Nations, he expressed concern about potential discrimination against older candidates in the actual recruitment process as well.

15. **Mr. Mezzalama** (Joint Inspection Unit) said that the fact that the Organization was seeking to recruit young professionals did not deny others the right to employment. However, some structure for the selection of personnel was needed to ensure that the best and most qualified persons were recruited. By rejuvenation of the staff, the Secretary-General meant that persons reaching the age of retirement should be replaced by qualified young people. That did not mean that older people would be chased out.

16. **Mr. Abdalla** (Libyan Arab Jamahiriya) agreed that there was a need for a rigorous selection process; he was opposed to a system of selection based on connections. Regrettably, rejuvenation in the Secretariat was being pursued in part through pressure and inducements such as settlement packages to encourage staff to retire so that they could be replaced by younger persons. The system of promotion by seniority no longer obtained and long-serving staff members now had to apply to fill vacancies. The Organization should not sacrifice its staff for the sake of injecting new blood into the system.

17. **Mr. Mirmohammad** (Islamic Republic of Iran), speaking on behalf of the Group of 77 and China, asked whether there would be any objection to taking up the report of JIU on the delegation of authority for management of human and financial resources.

18. **The Chairman** said that there did not appear to be any.

19. **Mr. Nakkari** (Syrian Arab Republic) noted, for the record, that it was not the first time that the consideration of reports related to human resources had been delayed because of the late issuance of the related report of the Advisory Committee. He supported the proposal made by the representative of the Islamic Republic of Iran that the JIU report on the delegation of authority be considered. It should be considered within the context of human resources reform. He would like to hear the Secretariat's views on recommendation 6 of the JIU report contained in document A/55/857.

20. **Ms. Salim** (Assistant Secretary-General for Human Resources Management) requested more time to study the matter.

Agenda item 129: Financing of the United Nations Angola Verification Mission and the United Nations Observer Mission in Angola (*continued*) (A/55/844 and Corr.1 and A/55/879)

Agenda item 130: Financing of the activities arising from Security Council resolution 687 (1991) (*continued*)

(a) United Nations Iraq-Kuwait Observation Mission (*continued*) (A/55/810, A/55/811 and A/55/874 and Add.2)

Agenda item 132: Financing of the United Nations Mission in Sierra Leone (*continued*) (A/55/853, A/55/869, A/55/735 and A/55/874)

Agenda item 133: Financing of the United Nations Interim Administration Mission in Kosovo (*continued*) (A/55/724, A/55/833, A/55/697 and A/55/874 and Add.6)

Agenda item 135: Financing of the United Nations Mission for the Referendum in Western Sahara (*continued*) (A/55/764, A/55/794 and A/55/874 and Add.7)

Agenda item 136: Financing of the United Nations Mission of Observers in Tajikistan (*continued*) (A/55/816 and Corr.1 and A/55/880)

Agenda item 137: Financing of the United Nations Preventive Deployment Force (*continued*) (A/55/390 and A/55/870)

Agenda item 138: Financing of the United Nations peacekeeping forces in the Middle East (*continued*)

(a) United Nations Disengagement Observer Force (*continued*) (A/55/747, A/55/778, A/55/874 and Add.1)

(b) United Nations Interim Force in Lebanon (*continued*) (A/55/757, A/55/874 and A/55/885)

Agenda item 140: Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters (*continued*) (A/55/840 and A/55/886)

Agenda item 143: Financing of the United Nations Peacekeeping Force in Cyprus (*continued*) (A/55/739, A/55/788 and A/55/874 and Add.3)

Agenda item 144: Financing of the United Nations Observer Mission in Georgia (*continued*) (A/55/682, A/55/768 and A/55/874 and Add.4)

Agenda item 148: Financing of the United Nations Mission in Bosnia and Herzegovina (*continued*) (A/55/683, A/55/752 and A/55/874 and Add.5)

Agenda item 150: Financing of the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti (*continued*) (A/55/753, A/55/667 and A/55/881)

Agenda item 152: Financing of the United Nations Mission in the Central African Republic (*continued*) (A/55/849 and A/55/884)

Agenda item 176: Financing of the United Nations Mission in Ethiopia and Eritrea (*continued*) (A/55/874)

Agenda item 153: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

(a) Financing of the United Nations peacekeeping operations (*continued*) (A/55/697, A/55/714, A/55/735, A/55/812, A/55/828, A/55/830, A/55/845, A/55/861, A/55/862, A/55/874 and Add.8, A/55/882, A/55/883; A/C.5/55/40 and Corr.1)

21. **Mr. Jara** (Chile), speaking on behalf of the Rio Group, said that the Group supported the recommendations contained in the reports of the Advisory Committee on financing of the United Nations peacekeeping operations (A/55/874 and Add.1-8) aimed at enhancing the efficiency of mission administrations and providing training for mission personnel in the fields of resource management, recruitment, procurement and mission liquidations. With regard to the report of the Office of Internal Oversight Services (OIOS) on the management audit of United Nations civilian police operations (A/55/812), given the large number of police personnel deployed in the field, the Rio Group welcomed the management audit, which was aimed at enhancing the effectiveness and efficiency of the police component of peacekeeping missions.

22. Enhancing the effectiveness of the functioning of peacekeeping operations required political will; that will should be translated into the provision of adequate resources for each of the current peacekeeping operations to enable them to fulfil their respective mandates and to ensure the security of mission personnel.

23. Delays in the reimbursement of troop contributors, most of which were developing countries, imposed a heavy burden on such countries. Should that situation continue, it could affect the participation of developing countries in future peacekeeping operations. A significant portion of the income to be derived from payment of the arrears owed by the main contributor should therefore be allocated for reimbursements. In some cases, reimbursements were owed for operations that had been liquidated several years previously.

24. The Rio Group looked forward to the completion of the comprehensive review of the methods of work, priorities, structure and personnel of the Department of Peacekeeping Operations with a view to identifying ways of enhancing the latter's effectiveness. The review should be considered by the competent organs of the General Assembly before it was taken up by the Fifth Committee.

25. With regard to the recruitment of additional personnel for the Department of Peacekeeping Operations, account should be taken not only of the principle of equitable geographic distribution but also of professionalism and adequate experience in the civil, military and police fields.

26. **Mr. Yamanaka** (Japan) said that peacekeeping operations continued to play a critical role in the maintenance of international peace and security. As those operations had increased in size and scope in recent years, the importance of financing had also grown. The budget was an important tool for

management of the Organization and the General Assembly had decided in resolution 49/233 that budget estimates for peacekeeping operations with budgetary requirements subject to fluctuation would be considered and approved by the General Assembly twice a year. The questions that arose therefore were whether the Assembly could accept the fact that five peacekeeping operations did not submit budgets and whether it should provide the Secretary-General with commitment authority without a report requesting such authority. Lastly, his delegation wished to emphasize the importance of adhering to the normal peacekeeping budgetary cycles set out in that resolution.

27. **Mr. Zackheos** (Cyprus) welcomed the efforts being made by the United Nations Peacekeeping Force in Cyprus (UNFICYP) to achieve greater economy in its operations. Since 1992, Cyprus had voluntarily contributed an amount equal to one third of the budget of UNFICYP and would again do so for the current financial year, despite the heavy burden which such payments imposed on the people of Cyprus. The situation had been exacerbated in recent years due to changes in the exchange rate between the United States dollar and the Cypriot pound and would be further exacerbated as a result of the recent increase in the assessed contributions of Cyprus to the regular and peacekeeping budgets. His Government was therefore exploring ways of reducing the level of its contribution to the budget of UNFICYP.

28. He wished to remind the Committee, however, that Turkey, whose illegal military presence in Cyprus made the presence of UNFICYP on the island absolutely essential, not only did not contribute to the solution of the Cyprus problem but was not even fulfilling its obligation to pay its assessed contributions to UNFICYP. It had made no payments since 1993.

29. With reference to the report of the Secretary-General on the budget of UNFICYP for the period from 1 July 2001 to 30 June 2002 (A/55/788), he wished to remind the Secretariat of the need to use the proper language when referring to the political mandate of the Mission so that the language did not deviate from the parameters set by the Security Council on the question of Cyprus.

30. **Mr. Fox** (Australia), speaking also on behalf of New Zealand and Canada, said that, given the rising level of the peacekeeping budget and the need to make decisions about funds for peacekeeping considerably in advance of the bills becoming due, the Governments on whose behalf he spoke attached great importance to receiving regular and accurate 12-month forecasts of estimated budgetary requirements. The ability of Member States to pay on time would be enhanced if the Secretariat provided them with a 12-month advance billing schedule indicating roughly when it expected to issue assessments for particular operations. The current arrangements were characterized by a large element of surprise and were not particularly satisfactory.

31. In view of the large number of reports before the Committee, the Secretariat should make proposals for streamlining the reporting burden. In line with the relevant decisions of the General Assembly, the Secretariat intended to apply results-based budgeting to future support account proposals. It should take the opportunity of that change to review the need for the current volume of reports.

32. **Mr. Nakkari** (Syrian Arab Republic) said that his delegation had been pleased to note, from the report of the Secretary-General on the budget of the United Nations Disengagement Observer Force (UNDOF) (A/55/778), that some of the concerns expressed in General Assembly resolution 54/266 had been met. Others, however, such as the improvement of the working conditions of the local staff remained to be addressed.

33. In particular, his delegation wished to place on record its strong reservations with respect to what the Secretariat had regarded as responding to the mandate of resolution 54/266. The provision of a transportation benefit which had been factored in the net salaries, in accordance with the salary survey methodology, and the Force's provision of transport for its staff from Damascus to Camp Faouar had not been done in response to the mandate incorporated in resolution 54/266 since they had been in effect before the resolution was adopted. Moreover, the Secretariat's understanding of paragraph 2 of the resolution, as reflected in paragraph 33 (a) of the report (A/55/778), was erroneous. The Assembly had said nothing about the provision of a hardship allowance or of hazard pay. In adopting the same view of the issue, the Advisory Committee had, in paragraph 24 of its report (A/55/874/Add.1), made the same mistake as the Secretariat.

34. The General Assembly had also requested the (in resolution 53/226, para. 8) the Secretary-General in

order to reduce the cost of employing General Service staff, to continue efforts to employ local staff for the Force against General Service posts, commensurate with the requirements of the Force. Nothing had yet been done to meet this request, and the Advisory Committee had not addressed the matter. His delegation requested clarification of the statement that "Following a review of the situation of posts, and for operational reasons, no conversion of General Service staff posts into local staff posts is possible at this time" (A/55/778, para. 27). It would also like to know the nature of the current circumstances that were preventing the replacement of General Service posts by local posts.

35. His delegation had noted with satisfaction the commitment of the UNDOF administration to continuing its ongoing dialogue with the local staff with a view to identifying and addressing issues of staff concern (A/55/778, para. 34), and that work had begun on many improvements in the working conditions of the local staff. Finally, he said that the time had come for the General Assembly to consider the question of increasing the number of in-grade steps for local staff from 10 to 14.

36. **Mr. Chandra** (India) said that he noted from the figures presented in the budget for the support account and by the Controller and the Chairman of the Advisory Committee that the overall increase in fund requirements for 2002 in respect of 2000 would amount to 76 per cent. Towards the end of 2000, the Controller had projected a figure of approximately $2 billion, yet the current projection was in the order of $3.4 billion. He also noted that at the current session, only one third of total requirements for 2001-2002 would be considered for approval. He was pleased that the legislative changes introduced by the Assembly had resulted in the presentation of the budget in a better and more orderly fashion. He complimented the Advisory Committee and its Chairman for two particularly good reports (A/55/882 and A/55/874). His delegation agreed with the Advisory Committee that there was an urgent need to improve the capacity of the Secretariat to recruit and place civilian personnel in missions in a timely manner in order to reduce the level of unencumbered resources for peacekeeping operations resulting from a high level of vacancies in civilian posts. The need for such action was clearly brought out in the table shown on page 23 of the report of the Advisory Committee (A/55/874). His delegation also agreed that the unencumbered balance of $175.2 million should be credited to Member States.

37. The Secretariat needed to make improvements in regard to contingent-owned equipment procedures, as well as in its capacity to manage the liquidation of missions more efficiently. With regard to reforms in reimbursements to Member States for contingent-owned equipment and troop costs, he said it was to be hoped that additional resulting expenditures would be reflected either in the performance reports or the budget estimates immediately after the rates were approved at the current session.

38. His delegation agreed in general terms with the proposals for funding under the support account contained in the report of the Secretary-General (A/55/862), but wished to point out that the comprehensive review might necessitate significant changes. Any changes that might be required as a result of the review should be included in the support account for the period. It would like to have a copy of the guidelines for cooperation between peacekeeping operations and humanitarian and human rights elements mentioned in paragraph 19 (b) and it supported the creation of the civilian police division, with the three organizational units (para. 40). With regard to outstanding tasks in the field administration and logistics division, he understood that none of the 93 posts approved by the General Assembly had been filled. If that was correct, it was regrettable. All posts for the claims section should be filled expeditiously. He noted that while paragraph 9 referred to the report of the Special Committee on Peacekeeping Operations, it did not mention the fact that the report in question also identified the areas where an emergency increase in staffing could take place.

39. His delegation looked forward to receiving a copy of the statement made by the Controller at the 58th meeting of the Fifth Committee.

40. **Mr. Yeo** (Director, Peacekeeping Financing Division), responding to a concern raised by the representative of Japan with regard to the submission of budgets for missions subject to fluctuation, said that the letter dated 22 March 2001 from the Controller to the Chairman of the Advisory Committee (A/55/874, annex 5) explained the situation. As indicated in that letter and in the appendix thereto, the Secretariat could have produced initial maintenance-level budgets for those missions, but such budgets would have almost

immediately been overtaken by events. Bridging financing was therefore being requested as an exceptional measure.

41. The representatives of Japan and Australia had, from slightly different perspectives, raised the question of the need for regular and accurate forecasting in a period of change such as the present one, and the impact of such actions on the 12-month billing cycle. He pointed out that General Assembly resolution 49/233 established an annualized budget cycle; however, the assessment of the annualized budget remained unchanged, and assessments could only be made on the basis of mandate extensions. From that standpoint, therefore, independently of whether commitment authorities or normal budgets were concerned, the assessments approach remained unchanged.

42. On the matter of forecasting, he said that the figure of $2.5 billion provided by the Secretariat in March had been accurate based on the information that had been available at the time. The Controller had since updated the information to indicate that once the General Assembly considered and took action on MONUC, the budget level for the period would be in the order of $2.7 billion. Similarly, the total budgetary requirements for seven ongoing peacekeeping missions and 2000-2001 budget levels for the other missions in transition would be the subject of revised documentation. In those cases, it had been clearly indicated that what had yet to be factored in was the decision of the Security Council to substantially increase the military component of UNAMSIL and the full impact of the revised concept of operations for MONUC, which was finally in a position to actively deploy. That was why the Controller had said that taking into account the additional requirements that might arise from the second phase of implementation of the report of the Panel on United Nations Peace Operations and for the United Nations Logistics Base in Brindisi, the overall level of peacekeeping requirements for 2001-2002 was likely to be between $3 billion and $3.4 billion.

43. In response to the concern raised by the representative of Cyprus, he said that the Secretariat would be careful to ensure that appropriate language was used in the budget document for UNFICYP to refer to the political mandate of the mission.

44. Responding to the questions raised by the representative of the Syrian Arab Republic, he pointed out that the representatives of the Secretariat who had been present at the drafting of General Assembly resolution 54/266 had fully understood the wording of paragraph 2 to express the hope that in addition to non-financial issues, account would also be taken of the concerns of the Syrian Arab Republic regarding equitable treatment of local staff. He was confident that the Department of Peacekeeping Operations would take note of and act on the Syrian request.

45. Regarding the conversion of General Service staff to Local staff in UNDOF, he drew attention to the first table in section VIII of the report (A/55/778) noting that since only six of the international staff were in the General Service category, there was a limit to the number of posts that could be converted. The Secretariat would, of course, keep the matter under review.

46. **Mr. Mselle** (Chairman, Advisory Committee on Administrative and Budgetary Questions), referring to the relationship between the 12-month budget and the assessment, explained that the procedure that had been followed before the adoption of General Assembly resolution 49/233 had caused a great deal of difficulty for, whenever the Security Council extended a mandate, regardless of the time period involved, a budget had had to be prepared in the Secretariat. In one year, for example, more than 80 reports had been discussed. The new cycle had been adopted precisely because of those problems. In addition, the linkage between assessments and the budget had been eliminated. Thus, the Secretariat prepared the budget for 12 months, and the General Assembly approved that budget for 12 months. Legally, however, the Secretary-General could not send a letter of assessment until there was a mandate from the Security Council. If there was a budget for 12 months, and the Security Council extended a mandate for six months, the bill would only relate to six months. If the mandate was terminated after six months, there would be no assessment, even though the General Assembly had approved a 12-month budget. That procedure had helped Member States by providing a long-term view of the potential funding requirements for peacekeeping missions over 12 months, but the order of magnitude projected would not necessarily be identical to the final amount.

47. Regarding the allegation by the representative of the Syrian Arab Republic that the Advisory Committee had made the same error as the Secretariat in regard to the statement by the Secretary-General that the inconvenience to UNDOF local staff had "since been addressed by the factoring in of a transportation benefit in the net salaries, in accordance with the salary survey methodology" (A/55/778, para. 33 (a)), he said that that information had been given to the Advisory Committee by the Secretariat. It was therefore up to the Secretariat to clarify whether the phrase "has since" referred to something that had been done after or before the adoption of General Assembly resolution 54/266 of 15 June 2000.

48. On the matter of the secondment of UNDOF staff to other missions, he said that the Advisory Committee had paid attention to that factor when reviewing peacekeeping missions. He drew attention to table 2 in the report of the Advisory Committee (A/55/874), on mission staff on short-term loan for the start-up of new missions, which showed that six UNDOF staff were on loan to other missions.

49. **Mr. Mutiso** (Field Administration and Logistics Division) said that the Department of Peacekeeping Operations was currently examining with the Office of Human Resources Management and the International Civil Service Commission ways of making allowance for the difficulties resulting from the relocation of the Force headquarters. The number of in-grade steps for General Service staff was also being discussed. He would give a more detailed response to the points raised by the representative of the Syrian Arab Republic in informal consultations.

50. **Mr. Orr** (Canada) said that, while there was broad awareness of the trying conditions in which the personnel of all United Nations peacekeeping operations worked, there had been disagreement within the Committee as to whether the local staff of UNDOF were experiencing significant hardship as a result of the relocation of the Force headquarters. The language of paragraph 2 of General Assembly resolution 54/266 was therefore deliberately vague.

51. **Mr. Nakkari** (Syrian Arab Republic) said that, on the contrary, the wording of the paragraph was quite unambiguous and referred explicitly to the difficulties experienced by the local staff. He did not recall that there had been any support for watering down the language.

52. **Mr. Gruzdev** (Russian Federation), speaking on agenda item 153(a), said that the resource requirements of the support account for peacekeeping operations for the period from 1 July 2001 to 30 June 2002 were presented on a maintenance basis, pending completion of the ongoing comprehensive review and capacity study of the structures that played a role in supporting peacekeeping operations. In fact, the amount proposed represented an increase of approximately $13.7 million over the amount approved for the period from 1 July 2000 to 30 June 2001. Most of that increase was due to the cost of the 93 additional posts approved by the General Assembly in December 2000. His delegation agreed with the Advisory Committee that the recruitment process should be conducted more expeditiously and would be asking the Secretariat to explain what corrective action had been taken.

53. Regarding the workload statistics for 2000, he noted that the number of letters of assist processed had more than doubled compared with the previous year. While he acknowledged that, in many cases, such letters were both necessary and unavoidable, he urged the Secretariat to comply strictly with the criteria for their use.

54. Lastly, he expressed the hope that, following the completion of the ongoing comprehensive review and capacity study, the revised resource requirements of the support account would be submitted in a timely fashion, so as to allow the competent intergovernmental bodies time to examine them in depth. In that connection, he agreed that it would be more prudent to plan for the reconsideration of the relevant estimates by the Advisory Committee and the General Assembly in 2002, rather than at the beginning of the Assembly's fifty-sixth session as planned.

The meeting rose at 5.55 p.m.

United Nations A/C.5/55/SR.60

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Chairman: Mr. Rosenthal ..... (Guatemala)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 117: Programme budget for the biennium 2000-2001 (*continued*)

Review of management and administration in the Registry of the International Court of Justice

Other matters

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The meeting was called to order at 10.20 a.m.

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 117: Programme budget for the biennium 2000-2001 (*continued*)

Review of management and administration in the Registry of the International Court of Justice (A/55/834 and A/55/834/Add.1)

1. **Mr. Bouayad-Agha** (Joint Inspection Unit), introducing the report of the Joint Inspection Unit (JIU) on the review of management and administration in the Registry of the International Court of Justice (A/55/834), said that in the somewhat lengthy interval between the conduct of the review in 1999 and the submission of the report to the Fifth Committee, many of the deficiencies identified by JIU had been corrected. The Committee should nevertheless take note of the situation which had prevailed in the Registry of the Court in 1999, since it illustrated the extent of the internal capacity for remedial action and could provide valuable lessons applicable to the administration of other United Nations bodies. The review had concerned only administrative matters, not the competence or working methods of the Court's judges.

2. Generally speaking, JIU had found that the Registry's administration was unsatisfactory, if not anarchic, and had been adversely affected by a budget which was insufficient in relation to the growing workload and by a certain malaise which had been widely acknowledged by the judges and the Registry staff. For example, recruitment and promotion practices lacked transparency and consistency, particularly owing to the lack of standard procedures similar to those used in the United Nations system, unduly long vacancies and cases of favouritism. The Court had no performance appraisal system and had never considered implementing one until JIU had raised the issue.

3. JIU had been surprised to note the poor condition of archiving facilities, which had exposed valuable historical documents to deterioration and security threats and had created unhealthy working conditions. Fortunately, the General Assembly, at its fifty-fourth session, had approved increased funding for furniture and equipment at the Court, and those resources had been used to replace storage cabinets and to install temperature and humidity control systems. Another serious shortcoming had been the failure, since 1987, to keep the General List constantly updated, in violation of article 26, paragraph 1 (b), of the Rules of Court. That obligation had not been met until after the Court had made a specific request to that effect in 1996. Relations between the Registrar, on the one hand, and the Deputy Registrar and certain department heads, on the other, had improved substantially since the early departure of the former Registrar and the measures taken by the judges to reorganize Registry services. Despite the difficult situation they had faced, the Registry staff had performed their functions with great dedication.

4. While the Court intended to propose the establishment of 15 research assistant posts, JIU, in its recommendation 1, had proposed the establishment of only three such posts because that had been the number most often mentioned in its interviews with individual judges; because it wished to determine whether and to what extent such assistance was needed; and because the recruitment of 15 P-2 research assistants at the same time would create management difficulties for the Department of Legal Matters. Recommendation 2, which concerned the follow-up to rationalization decisions, had already been fully implemented.

5. Paragraphs 42 to 45 of the JIU report explained the rationale for recommendation 3, which proposed the reduction of the Registrar's term of office to three years. JIU felt that the Registrar's term of office should be the same as that of the President of the Court and that the Rules of Court should provide for a system for appraising the Registrar's performance. JIU had taken note of the Court's indication that, while the proposal was not without its merits, it could not endorse the recommendation. JIU was pleased to note that the Court had already acted on its recommendation 4, in which it had suggested that the Deputy Registrar should be appointed in consultation with the Registrar.

6. Recommendation 5 had already been implemented as a result of General Assembly resolution 55/239, which had approved the establishment of 12 additional posts in the Division of Linguistic Matters. Recommendation 6 was intended to address the malaise to which he had referred earlier; the situation had begun to change after the inspectors'

meetings with staff and the Budgetary and Administrative Committee, and the new President of the Court and new Registrar had made every effort to correct the problem. The recommendation was based on the inspectors' analysis of certain administrative and financial practices of the Registry. The Court had indicated that points (a), (b) and (e) of the recommendation had already been implemented, and, in relation to point (f), that it would examine the measures that should be taken to improve the information available to staff concerning the remedies available in case of harassment. However, JIU had recommended not that the Court should improve information, but that it should issue administrative instructions prohibiting harassment, as did a number of organizations of the United Nations system. JIU regretted that the Court had not agreed to the introduction of a performance appraisal system, particularly as the Secretary-General had endorsed that suggestion, as well as those contained in points (d), (e), (g) and (h).

7. The Court had supported recommendation 7 on the appointment of a senior administrative/personnel officer, noting that that measure would facilitate the implementation of some of the other recommendations. Recommendation 8 concerned the improvement of cooperation and coordination between the Registrar and his or her counterparts at the Organization for the Prohibition of Chemical Weapons (OPCW) and the International Tribunal for the Former Yugoslavia. While the potential for common services among those bodies was very limited, cooperation among the bodies located in The Hague could help them to solve administrative problems in areas such as outsourcing, medical services, security, insurance and relations with the host country. The Court appeared to share that view.

8. **Mr. Sach** (Director, Programme Planning and Budget Division) introduced the Secretary-General's comments on the JIU report, which were contained in document A/55/834/Add.1, annex II. The comments were confined to purely budgetary matters, and related to recommendations 1, 5 and 7 of the JIU report. Since the issuance of that report, provision for the new post referred to in recommendation 7 had been made in the proposed programme budget for 2002-2003. Recommendation 5 had been overtaken by events, since the additional language posts to which it referred had already been approved. With respect to recommendation 1, no provision had been made as yet in the proposed programme budget for 2002-2003 because, in view of the differences of opinion between JIU and the Court in that regard, the Secretary-General had not wished to prejudice the discussion of the issue by Member States, and preferred to await the guidance of the General Assembly.

9. **Mr. Couvreur** (Registrar, International Court of Justice) drew the Committee's attention to the Court's comments on the report of JIU, which were contained in document A/55/834/Add.1, annex I, adding that he stood ready to provide any further information the Committee might desire.

10. **Mr. Lavalle-Valdés** (Guatemala) said that the Registry of the International Court of Justice, though barely mentioned in the Statute of the Court and not usually viewed as contributing directly to the purposes of the United Nations, nevertheless played a vital role by providing the support that enabled the Court to perform its functions successfully. The Registry must act with complete independence from the Secretariat of the United Nations. The difficulty and sensitivity of many of its tasks demanded a wide range of abilities and talents on the part of its staff. Many of its administrative functions were far from routine, and it was also required to carry out substantive functions that required sound knowledge and experience not only in linguistic matters, but also in the increasingly complex areas of public information and international law. Much, if not most, of the burden of the tremendous increase in the Court's workload in recent years was borne by the staff of the Registry.

11. His delegation had therefore been surprised and concerned to note the negative comments on the Registry's functioning contained in paragraphs 38, 39, 47, 49, 50 and 84 (d) of the JIU report. Conversely, it had welcomed the favourable comments, in paragraph 52, on the Department of Legal Matters, which, at the time of the inspection, had been headed by the current Registrar of the Court. Nevertheless, it remained concerned about the "malaise" referred to in paragraphs 38 and 39, to which even the Department of Legal Matters could not have been immune. Fortunately, steps had already been taken to remedy some of the deficiencies that JIU had identified.

12. With respect to the recommendations made by JIU for enhancing the Registry's efficiency, it seemed advisable, for obvious reasons, to make research

assistants available to the judges. Likewise, it would be appropriate to establish a post to assist the Registrar in personnel management. His delegation was pleased that such a post had been included in the proposed programme budget for 2002-2003.

13. **Mr. Repasch** (United States of America) expressed his satisfaction that the Court had already implemented certain recommendations of JIU. His delegation was, however, very disappointed that the senior management had not taken direct steps to resolve the managerial difficulties and it was disturbed by the Court's reluctance to introduce a personnel appraisal system; it would like further clarifications. In addition, the Court should provide a status report on the implementation of the JIU recommendations, in particular those relating to improving the administrative functioning of the Court. He would like to know whether there was any oversight mechanism, such as Office of Internal Oversight Services (OIOS), that monitored, on a regular basis, the managerial functions of the Court. It was indeed troubling to learn that such management deficiencies had continued undetected over the course of many years.

14. Finally, the progress made by ICJ in implementing those recommendations should be taken into consideration when its budget was considered later in the year.

15. **Mr. Rajeh** (Saudi Arabia) said that his delegation supported all the recommendations in the report. It would like to know, however, whether the term of office of the Deputy Registrar was linked to that of the Registrar, whether those two positions had the same length of term of office, and whether their terms coincided. If a Registrar left office, was the Deputy Registrar also obliged to depart?

16. **Mr. Nakkari** (Syrian Arab Republic) said that in order for the mandate of the Court to be competently fulfilled, all its needs should be met. His delegation fully supported recommendations 1, 5 and 7, and hoped that the necessary resources would be provided in the proposed programme budget. Normally, the recommendations of JIU appeared in bold at the beginning of the document, and the comments of the Secretary-General followed: his delegation would like that format to be adhered to in future.

17. **Mr. Nesser** (Sweden), speaking on behalf of the European Union, said that the European Union was closely monitoring that issue, and would revert to it during the informal discussions.

18. **Mr. Yussuf** (United Republic of Tanzania) said that, his delegation had been astonished to learn that there had been so many problems within the International Court of Justice (ICJ). The Registrar was essential to the administration of any court. Since the Secretary-General appointed the Registrars for the International Criminal Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda, he would like to know why he did not appoint the Registrar for the International Court of Justice as well. That was particularly the case since the Registrar should be an international civil servant known for his high degree of personal integrity. His delegation would support the recommendations of JIU, but thought it useful to consider the matter within the framework of the overall administrative structure of the United Nations.

19. **Mr. Fox** (Australia) said that his delegation, too, was surprised by the comments of ICJ with respect to the establishment of a staff appraisal system; in its view, all organizations should have such a system, regardless of their size. Since ICJ had requested 15 law clerks, and JIU was proposing that only 3 should be appointed, he would like to know whether any provision had been made for the appointment of new law clerks, and whether such appointments would require action by the General Assembly at the coming session. He would also like to know the views of ICJ with regard to its needs for 15 law clerks.

20. **Mr. Chandra** (India) said that his delegation was pleased that certain weaknesses identified by JIU had been rectified since the issuance of the report. It wholly agreed with recommendation 1, noted that recommendations 2 and 5 had been implemented in full, and suggested that recommendations 3 and 4 should be dealt with in detail during the informals. As for recommendation 6, he hoped that the malaise in the Registry could be discussed in an open, unprejudiced manner. Some points were insufficiently clear. On the one hand, the Inspectors were satisfied with the implementation of recommendation 6, paragraphs (a), (b) and (e), on the other, they could not agree with the Court's reluctance to implement a staff appraisal system, mentioned in paragraph (c). His delegation was appreciative that JIU had borne in mind the sensitivity of the issues under consideration and it agreed, in

general, with recommendations 7 and 8, and looked forward to discussing them during the informals.

21. Finally, the question should be asked whether the managerial malaise might not directly arise from the budgetary constraints and the expanding workload.

22. **Mr. Bouayad-Agha** (Joint Inspection Unit) drew the attention of the United States delegation to paragraph 2 of the introduction to the JIU report (A/55/834), which specified that ICJ was subject to review by OIOS. In fact, JIU had begun its examination of ICJ in consultation with that office in 1999. The two bodies were, in part, working together; OIOS was currently evaluating the work of the former Registrar, and would submit a report to the General Assembly shortly.

23. Replying to questions raised by the representative of the United Republic of Tanzania, he said that, although the Court enjoyed judicial autonomy, it was dependent on and answerable to the General Assembly; the latter bore its costs and determined its Statute. The Secretary-General did not have the power to appoint the registrar.

24. **Mr. Couvreur** (Registrar, International Court of Justice) replying to questions, said that the Court had judicial autonomy, and its own system for appointing and managing staff. Under its Statute, the Court appointed its own registrar; his appointment by the Secretary-General would not be possible. The International Criminal Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda were bodies subordinate to the Security Council, so theirs was an entirely different case.

25. The Court had responded to all the recommendations of JIU; its position regarding a staff appraisal system was expressed in document A/55/834/Add.1, annex I, paragraph 27. It considered that a staff appraisal system might be counterproductive, in view of the recourses and rebuttals that might ensue but it might reconsider the matter if the staff was enlarged. In addition, all staff members knew what all others were doing, and with what level of skill or competence. The number of overtime hours worked by the staff was always enormous. The Court had been unable to implement a shift system, and the staff who worked late into the night during emergencies were the same persons who returned to work early the next morning. Payment of overtime was the only possible recompense, since staff could not use compensatory leave because of the heavy workload.

26. Both the Registrar and the Deputy Registrar were elected for terms of seven years. The Court preferred the seven-year term because of the difficulty of finding candidates who were both judicial officers and also qualified to carry out the varied and delicate tasks required by the job. That length of term was common in international jurisdictions; some were longer. The term of a registrar was generally identical or similar to that of a judge. The terms of the Registrar and the Deputy Registrar were independent.

27. In reply to the representative of Australia, he said that the number of cases before the Court had doubled in recent years and that cases were accompanied by voluminous documentation. Translation for the Court amounted to 11 million words per biennium; moreover, many of the judges were native speakers of a language other than French or English and required linguistic assistance in drafting their notes and rulings. It was therefore important for each judge to have a reliable law clerk to serve as research assistant.

28. **Mr. Sach** (Director, Programme Planning and Budget Division), replying to questions on funding for the implementation of recommendations 5 and 7, drew attention to his earlier introductory statement. Regarding recommendation 1, since the Court was requesting 15 additional law clerks rather than the three recommended by JIU, his Division had sought guidance from the General Assembly. It was for the Committee to choose when to take a decision on the matter; however, it must do so prior to the adoption of the proposed programme budget for the biennium 2002-2003.

29. It had been suggested that the "malaise" in the working atmosphere of the Registry might be due to inadequate resources. Despite the budgetary constraints under which the Organization had laboured in recent years, particular care had been taken to provide for the Court's needs to the extent possible. It had been exempted from across-the-board staff reductions during the 1998-1999 biennium; in fact, the proposed programme budgets had included 7.6 per cent and 3.1 per cent increases for 1998-1999 and 2000-2001, respectively. Thus, 63 posts had been approved as at December 1999; 12 more had been added in December 2000 and an additional 16 were included in the proposed programme budget for 2002-2003; if the

latter posts were approved, the Court would have a total of 91 staff members, without prejudice to the proposals for hiring additional law clerks.

30. **Mr. Yussuf** (United Republic of Tanzania) said that he was not satisfied with the explanations provided by the representatives of JIU and the Court. If the Court were fully independent in its functions, the Committee would not be engaged in the current discussion. Of course, there should be no interference with the Judges' work and decisions; however, it was important for them to have as effective and efficient a staff as possible. All posts at the level of Registrar and below were filled by support staff who should be governed by the rules and procedures of the United Nations. If the Court was in fact entitled to establish its own procedures at the administrative level, the General Assembly should consider amending its Statute. He planned to pursue that matter vigorously during the informal consultations.

31. **Mr. Repasch** (United States of America) noting that the Court had maintained, in its comments on the report, that the introduction of a performance appraisal system was not warranted by the small size of the Registry, asked how great an increase in staff would be necessary for such a system to be considered appropriate.

32. **Mr. Nakkari** (Syrian Arab Republic) asked when the additional 16 posts mentioned by the Director of the Programme and Planning Division had been recommended for inclusion in the proposed programme budget for the biennium 2002-2003.

33. His delegation endorsed recommendation 7 but requested additional information on recommendation 5. He also wondered how recommendation 1, if adopted, would be implemented and, in more general terms, how measures with programme budget implications were funded if they were adopted after the Secretariat had submitted the proposed budget to the Advisory Committee.

34. **Mr. Fox** (Australia) asked how, in the absence of a performance evaluation system, the Registry handled cases of poor performance by its staff.

35. **Mr. Sach** (Director, Programme Planning and Budget Division) said that the additional 16 posts that he had mentioned had been approved in December 2000 on the basis of the revised estimates provided by the Secretary-General.

36. Recommendation 1, if adopted, could be implemented according to the usual procedure for considering programme budget implications; alternatively, the Committee could decide to take the recommendation into account in reviewing the proposed programme budget for the biennium 2002-2003 at the fifty-sixth session of the General Assembly.

37. The manner in which the Registrar was appointed was not open to interpretation; Chapter XIX, Article 92, of the Charter specifically stated that the Court would function in accordance with its Statute, article 21 (2) of which stipulated that the Court was to appoint its Registrar and that it could provide for the appointment of such other officers as might be necessary.

38. **Mr. Couvreur** (Registrar, International Court of Justice), replying to the representative of the United States of America, said that he could not speak for the Court regarding the point at which staffing increases might make it advisable to introduce a performance evaluation system.

39. He assured the representative of Tanzania that the Registry was not above the law. It had a separate Statute that was an integral part of the Charter; thus, while its staff were United Nations officials, they were not under the authority of the Secretary-General. That situation could not be changed without amending the Charter.

40. In reply to the representative of Australia, he said that, as in any workplace, written notice of unacceptable performance would be given to the employee concerned; if the problem continued, a note would be placed in the staff member's file. Persistent inadequacy could result in non-renewal of contract.

41. **Mr. Bouayad-Agha** (Joint Inspection Unit) said that while the Court was small, it had many important responsibilities. For years, JIU had been trying to convince the judges that while they were independent in their work, they lived in an ivory tower and lacked experience in the field of administration. By endorsing the JIU proposal to create a post of Senior Administrative/Personnel Officer to assist the Registrar in personnel management, the Court had recognized the complexity of the latter's responsibilities; moreover, serious problems with a former Registrar had even led it to consider impeachment. After consulting with all the judges, JIU had concluded that a three-year renewable term of office would make it possible to

correct any future problems and that the Registrar, who was responsible for assisting the judges in their work, should not be required to make final decisions on personnel matters. He did not agree with the Court that it would be difficult to recruit candidates to a three-year post.

42. Lastly, the General Assembly was responsible for approving the Court's budget, and had a right to require monitoring through, inter alia, the introduction of a performance assessment system. The current Registrar, who had long been denied promotion, could attest to the injustices of the current mechanism. The fault did not lie with the judges, who had other responsibilities, but the Court's administrative procedures must be brought into line with the rest of the United Nations system.

43. **Mr. Fujii** (Japan) said that he shared the concern expressed by the representatives of Australia and the United States of America, particularly regarding the need for a performance evaluation system. Any body which received funding under the Organization's budget should be prepared to give the General Assembly a convincing explanation of its behaviour.

44. **Mr. Chandra** (India) said that provided that the Court retained its judicial autonomy and its power to appoint its own staff, he had no objection to the establishment of a shorter, renewable term of office for the post of Registrar.

45. **Mr. Bouayad-Agha** (Joint Inspection Unit) said that he would reserve further comments for the Committee's informal consultations.

Other matters

46. **Ms. Álvarez Núñez** (Cuba) said that the representative of Cuba normally assigned to the Fifth Committee had not yet received the entry visa and therefore could not participate in the Committee's deliberations at the current time. The host country imposed discriminatory deadlines for visa requests on nationals of certain countries. In the case of Cuba, the onerous imposition of a 21-day waiting period for the issuance of a visa limited the participation of Cuban representatives in United Nations bodies. The Permanent Mission of Cuba hoped that the situation would be resolved promptly by the authorities of the host country, and regretted to inform the Committee that the Cuban delegation would not be in a position to accept any understanding reached or decision taken until its specialized representative was able to take part in the Committee's discussions.

The meeting rose at noon.

United Nations A/C.5/55/SR.61

General Assembly
Fifty-fifth session

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Fifth Committee

Summary record of the 61st meeting
Held at Headquarters, New York, on Thursday, 10 May 2001, at 10 a.m.

Chairman: Mr. Rosenthal ..... (Guatemala)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 115: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*)

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 123: Human resources management (*continued*)

Report of the Joint Inspection Unit on the delegation of authority for management of human and financial resources in the United Nations Secretariat

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Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

01-36725 (E)

The meeting was called to order at 10.15 a.m.

Agenda item 115: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/55/5 (Vol. II), A/55/380/Add.2 and A/55/878)

1. **Mr. Nesser** (Sweden), speaking on behalf of the European Union, said that the report of the Board of Auditors on United Nations peacekeeping operations (A/55/5 (Vol. II)) provided Member States with a valuable insight into the functioning and management of peacekeeping operations, and that the European Union concurred with the recommendations made therein. He expressed regret that the report had been issued some 14 weeks after its signature by the Board on 31 January 2001. With the cost of peacekeeping likely to spiral over the next budget cycle, Member States were required to scrutinize peacekeeping budgets and financial statements ever more thoroughly. They were also increasingly required to extend that scrutiny to the management of peacekeeping, both at Headquarters and in the field. The late issuance of documentation prevented Member States from performing that task effectively. He requested the Secretariat to take note of those concerns and to ensure that, in future, the Board's report was issued in early April.

2. The European Union considered audit to be an essential function, particularly in evaluating management processes and monitoring the implementation of recommendations, and it saw the resident auditors as facilitators in that regard. He noted with satisfaction that there were no significant outstanding matters with respect to the Board's report for the financial period ending 30 June 1998. However, the Board had had to remind the Administration to ensure full implementation of some of the recommendations made in its report for the financial period ending 30 June 1999. He trusted that the Administration would act on those reminders expeditiously.

3. The Board's comments were based on its examination of issues at a number of missions but could well be more broadly applicable. All too often the Board reported problems that could have serious consequences for the control and management of the Organization's resources and instances of non-compliance with rules and regulations or guidelines that could undermine the implementation of a mission's mandate. Training had an important role to play in addressing that situation. The European Union recognized the improvements made in training and the value added to that function by the United Nations Logistics Base at Brindisi. It noted, however, that, in a number of cases, training had taken place after staff had taken up postings to missions and that, in other cases, staff had been trained but had not been available for mission service. Proper and timely training could act as an incentive to mobility or recruitment, which could go some way to alleviating the high vacancy rates in certain missions. It was therefore incumbent on management to use the performance appraisal system to identify training requirements of staff. The European Union had taken note, in that connection, of the comments and recommendations contained in the related report of the Advisory Committee on Administrative and Budgetary Questions (A/55/878).

4. In order to facilitate assessment of the management of peacekeeping missions, each mission should set objectives in the area of administration, which could be reflected in its budget submission. The objectives could either flow from those set at Headquarters on the basis of the recommendations made by the Board, or be set individually at missions. The Department of Peacekeeping Operations could monitor the attainment of the objectives and report thereon to the General Assembly in the relevant financial performance reports. Missions, for their part, should have an opportunity to report on how vacancies affected the attainment of their objectives.

5. He had taken note of the points raised regarding the accrual of claims, particularly those verified as valid and made in respect of services already rendered, and looked forward to discussing the issue further in informal consultations.

6. **Ms. Merchant** (Norway) expressed regret at the late issuance of the report of the Board of Auditors, which should have been made available well in advance of the second part of the resumed fifty-fifth session of the General Assembly, since, in order for Member States to assume their leading role in oversight, they must be able to devote adequate time to the issue.

7. Her delegation concurred with the Advisory Committee that the first report of the Secretary-General on the implementation of the recommendations of the

Board of Auditors concerning United Nations peacekeeping operations for the financial period ending 30 June 2000 (A/55/380/Add.2) should have included information on the progress achieved, as well as the results and changes produced by implementing those recommendations or by the corrective measures taken in response. The Administration's efforts to reduce the non-accrual of certified claims were most welcome. With the introduction of the new method of reimbursement for contingent-owned equipment the problem would not recur, and it was to be hoped that the outstanding contingent liabilities of $39.9 million would be dealt with as soon as possible.

8. Her delegation welcomed the Board's comments and recommendations in paragraphs 21 and 22 of its report regarding the need to avoid setting off accounts payable against accounts receivable, and it agreed with the Advisory Committee that it was necessary to ensure that the practice was not extended to other United Nations operations. It also fully supported the Board's recommendation in paragraph 27 of its report that the Administration should implement procedures to ensure that rule 104.1 of the Financial Regulations and Rules of the United Nations, which required obligations to be supported by appropriate obligating documents, was adhered to and also to ensure that obligations were raised in the correct financial period against the appropriate budgeted amounts, since raising obligations without valid supporting documentation created a potential for fraud. She expressed satisfaction at the general improvement in the recoverability of staff debts, noting that the debts identified were not material, and urged the Administration to pursue its efforts to recover them.

9. Her delegation endorsed the Advisory Committee's request for a comprehensive assessment, in the context of the next audit, of all aspects of the implementation of the new arrangements for reimbursement of contingent-owned equipment, preferably at selected representative missions. It also supported the invitation to the Board to inquire about the adequacy and effectiveness of resident auditors. The Board's recommendation in paragraph 59 of its report was most welcome, and it was to be hoped that the changes recommended would eliminate the delays in processing claims in respect of contingent-owned equipment. Her delegation noted that the Office of Internal Oversight Services had recently conducted an evaluation of the field assets control system and looked forward to the issuance of a report by the Secretary-General thereon.

10. Regarding the Board's recommendation in paragraph 95 of its report that the Administration should undertake a review of current resources available to meet peacekeeping procurement needs, establish more systems contracts and encourage procurement planning, she said that her delegation agreed with the Advisory Committee that it would be premature for the Department of Peacekeeping Operations to establish a fully resourced peacekeeping section dedicated to its procurement requirements.

11. **Mr. Orr** (Canada), speaking also on behalf of Australia and New Zealand, expressed disappointment at the late issuance of the report of the Board of Auditors. Referring to table 3, which showed available cash versus liabilities as at 30 June 2000, he noted that some 30 missions were listed, of which only 12 were active. The accounts of many completed peacekeeping operations remained open because of the failure of some Member States to pay their assessed contributions. He called on all Member States to honour their obligation under the Charter to pay their full assessed contributions to all peacekeeping operations and asked what efforts had been made by the Secretariat to collect those long overdue debts.

12. His delegation would like to know why some $20.1 million remained in the account of the United Nations Transition Assistance Group (UNTAG) when liabilities were virtually zero. Where the accounts of completed peacekeeping operations had cash exceeding liabilities, those liabilities should be discharged, the accounts closed and the balances returned to Member States. In 1999, cash in hand had been equivalent to almost one full year's peacekeeping expenditures, whereas, in 2000, it had been equivalent to only eight months' expenditures. He therefore wished to know what constituted an appropriate level of cash in hand.

13. The reduction in the amount of liabilities not properly disclosed in the financial statements was most welcome, but it was to be hoped that the Board would not have to draw the attention of the Committee to the practice in future.

14. The management shortcomings identified by the Board must be addressed systematically. However, there was also a need to prevent those problems from recurring and to ensure that new problems did not arise. In order to achieve that goal, the quality of the

civilian component of peacekeeping missions must be improved. Currently, confusing recruitment procedures, lack of pre-mission training and short-term contracts were resulting in high vacancy rates and an unmotivated field staff. His delegation strongly supported the Advisory Committee's recommendations aimed at addressing that situation. The implementation of those recommendations, along with the Secretary-General's human resources management reforms, would help to produce a more effective and motivated civilian component in peacekeeping missions.

15. **Mr. Repasch** (United States of America) said that an important component of effective oversight was the appropriate and timely review by the intergovernmental bodies of the reports of the oversight organs. He therefore regretted the late issuance of the report of the Board of Auditors. It was to be hoped that the Committee would be able to give closer consideration to the Board's findings and recommendations when it examined the proposed budgets of the various missions in informal consultations.

16. Regarding the Board's findings, he urged the Department of Peacekeeping Operations to avoid, in future, the duplication of the function of comparison of the verification reports received in respect of contingent-owned equipment with the memoranda of understanding. Noting that, for all 10 closed procurement files tested by the Board, vendor-performance evaluations had been outstanding, he said that the Department must adhere to the relevant regulations and rules. He sought further clarification concerning the finding that two missions had raised miscellaneous obligating documents totalling approximately $6.4 million for transportation services and purchase of goods and services in contravention of the United Nations Finance Manual. Lastly, he expressed concern that, as at 8 November 2000, some 20 per cent of posts in missions had been vacant. He wished to know what measures had been taken to address that situation.

17. **Mr. Farid** (Saudi Arabia) said that his delegation supported the Advisory Committee's recommendation (A/55/878, para. 16) that steps must be taken to ensure that adequate qualified staff were assigned, trained and retained to perform procurement-related activities and tasks in field missions. It also endorsed the Board's recommendation in paragraph 80 of its report regarding the updating of the field assets control system.

18. **Ms. Benary** (Assistant Secretary of the Committee) said, in response to the comments made by members of the Committee concerning the late issuance of the report of the Board of Auditors, that she had been informed by the Chief of the Central Planning and Coordination Service that the report had been submitted in a timely manner. However, longer, more complicated manuscripts were more difficult to process than shorter, simpler jobs. In addition, the Service had had to process, at the same time, the pre-session and in-session documentation required by the Fifth Committee during the first part of the resumed fifty-fifth session of the General Assembly and the pre-session documentation required by the Committee during the second part of the resumed fifty-fifth session. The bulk of that documentation had been issued quite expeditiously. The Service was, of course, aware of the importance of the report of the Board of Auditors and the problems that delegations encountered because of the late issuance of documentation.

19. **Mr. Bhana** (Director of External Audit of the Republic of South Africa) said, regarding the liabilities of some $39.9 million not accrued for in the accounts of the United Nations peacekeeping operations, that the Board had always taken the position that, once claims submitted in respect of services already received by the Organization were verified as being valid by the Department of Peacekeeping Operations, a valid liability was created. The Board had chosen not to qualify its opinion of the financial statements of the United Nations peacekeeping operations because the Secretariat had followed procedures broadly in line with the financial regulations and had at least disclosed the $39.9 million of contingent liabilities in the notes to the financial statements. Also, the Board had taken into account the Secretariat's efforts to reduce the level of unaccrued liabilities. Moreover, the liabilities in question were in respect of claims received from troop-contributing countries under the old system for reimbursement of contingent-owned equipment, which had since been significantly enhanced, and the Board expected that such unaccrued liabilities would be phased out over the next few financial periods.

20. Concerning the late issuance of the Board's report, he said that the Board always endeavoured to ensure timely reporting. Indeed, the report had been signed on 31 January 2001 and transmitted to the Secretariat in early February.

21. The Board shared the view that objective-setting was an important element of proper operational management and would bear the issue in mind in forthcoming audits. It had noted the concern expressed by a number of delegations about the management of non-expendable equipment and concurred with the view that, with the field assets control system, better results could be achieved. The Board had been pleased to note that managers in a number of missions were already implementing measures aimed at enhancing control of the equipment in their custody. He agreed that the Board's finding that two missions had raised miscellaneous obligating documents for transportation services and purchase of goods and services, in contravention of the United Nations Finance Manual, was a very serious one.

22. Lastly, the Board concurred with the Advisory Committee that the review of current resources available to meet peacekeeping procurement needs should take place in the context of the comprehensive review of procurement.

23. **Mr. Karia** (Office of Programme Planning, Budget and Accounts) said that the Secretariat had taken note of the Committee's concerns regarding the $39.9 million disclosed as contingent liabilities for the period ending 30 June 2000. The Advisory Committee and the Board of Auditors had confirmed that the actions taken by the Administration on that matter were in accordance with the Financial Regulations and Rules of the United Nations.

24. Generally speaking, the Administration had followed accrual basis accounting in accordance with United Nations accounting standards; in the case in question, however, the General Assembly had not specifically authorized the funds needed to record the expenditures. Nevertheless, the amount had been disclosed under contingent liabilities in the notes to the financial statements, which were an integral part thereof.

25. In the context of the final performance reports for the United Nations Operation in Somalia (UNOSOM) and the United Nations Assistance Mission for Rwanda (UNAMIR), the Administration would submit proposals to the General Assembly on funding requirements to cover the pending claims of troop-contributing countries. It had followed the same procedure in the case of the United Nations Peace Forces (UNPF) and, upon approval of the additional funding by the General Assembly, the contingent liability disclosed in the financial statements of peacekeeping for the period ending 30 June 1999 had been reduced by approximately 73 per cent.

26. The Administration made every effort to collect unpaid contributions; it issued a report on the matter and sent reminders to Member States, and the Under-Secretary-General for Management had addressed the Committee on numerous occasions regarding the financial status of the Administration's operations with respect to the regular budget and peacekeeping.

27. The level of cash in hand in relation to monthly peacekeeping expenditures varied from year to year and could be affected by factors such as the amount of annual assessments and the number and nature of current peacekeeping operations. For example, there had been several active operations in 2000, including the United Nations Transitional Mission in East Timor (UNTAET), the United Nations Interim Administration Mission in Kosovo (UNMIK), the United Nations Mission in Sierra Leone (UNAMSIL) and the United Nations Operation in the Congo (MONUC); consequently, there had been less cash available during that year than in 1999.

28. He would reserve his replies to other questions for the informal consultations.

29. **Mr. Orr** (Canada) said that he was not satisfied with the Secretariat's explanation of the delay in issuance of the report of the Board of Auditors. As in previous years, although the document had been submitted on time, it had not been issued until the beginning of the resumed session and thus could not be properly discussed. He suggested that, in its consideration of the proposed programme budget for the biennium 2002-2003, the Committee should examine the manner in which the Department of General Assembly Affairs and Conference Services established priorities for the processing of documents and should consider whether certain documents that could not be issued in a timely manner should be outsourced.

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*) (A/55/857 and Add.1)

Agenda item 123: Human resources management (*continued*)

Report of the Joint Inspection Unit on the delegation of authority for management of human and financial resources in the United Nations Secretariat

30. **Mr. Münch** (Joint Inspection Unit), introducing the report of the Joint Inspection Unit (JIU) on the delegation of authority for management of human and financial resources in the United Nations Secretariat (JIU/REP/2000/6) (A/55/857), said that JIU strongly supported the Secretary-General's efforts to enhance the delegation of authority as part of his overall reform package and commended the Secretariat for its achievements in that area. However, he regretted the undue delay in processing the report and in submission of the Secretary-General's comments thereon (A/55/857/Add.1) and hoped that in future, every effort would be made to ensure a more expeditious transmission of comments.

31. The primary message of the report, as stated in recommendation 1, was that delegation of authority should follow a comprehensive overall plan of action based on a systematically developed concept.

32. With respect to recommendation 2, paragraph 60 of the report stated that clear policies for the promulgation of administrative issuances were not always observed. He was puzzled by the comment that that statement was not accompanied by specific examples and that the procedures set out for the promulgation of administrative instructions, their abolishment and/or amendment were scrupulously followed (A/55/857/Add.1, para. 9) since paragraphs 61 to 66 of the report listed a number of specific examples where those procedures had not been followed. Staff members should have no difficulty in finding the administrative issuances that they needed and should not have to consider the possibility that portions of those documents had not yet entered into force.

33. He welcomed the Secretary-General's acceptance of recommendations 3, 4 and 5. Promulgation of the Financial Regulations and Rules in the form of Secretary-General's bulletins was long overdue; it was essential to incorporate without delay the amendments to the Regulations which had been approved by the General Assembly and to review cases where issuances contradicted each other or where lower-level issuances contradicted higher-level ones, particularly in the area of receipt and custody of funds.

34. With respect to recommendation 6, he was surprised at the statement in paragraph 18 of the comments that delegation of authority should be made generic through the issuance of bulletins or instructions and that, consequently, proper delegation of authority existed within the Secretariat. It was not only heads of departments or offices and programme managers who exercised delegated authority; many others were involved, and the use of individual delegation orders would help prevent confusion. However, he noted that paragraph 19 of the comments recognized the need for personalized instructions, directions and assistance in respect of the delegation of financial management authority.

35. Recommendation 7 had nothing to do with the existence of "proper rules on delegation of authority", mentioned in paragraph 21 of the comments. Interviews with senior officials had revealed that newly-appointed heads of departments and programme managers were not always given proper training in the intricacies of United Nations administrative and management standards; even when the regulations, rules and instructions were perfectly drafted, knowledge of a complex system was not acquired automatically.

36. He noted with appreciation the Secretary-General's acceptance of recommendation 8 and the additional information provided in paragraphs 23 and 24 of the comments; with regard to recommendation 9, he stressed that the necessary comprehensive approach must include all managerial areas, not merely human resources management.

37. Lastly, while welcoming the Secretary-General's general acceptance of recommendation 10, he did not agree that the latter gave the impression that no system of accountability currently existed; the report included recognition of and praise for the Secretariat's achievements in that area and merely indicated areas in which further improvement was called for.

38. **Ms. Salim** (Assistant Secretary-General for Human Resources Management) introduced the

Secretary-General's comments on the report of the Joint Inspection Unit (A/55/857/Add.1). She was pleased that the inspectors supported the Secretary-General's efforts with regard to the delegation of authority and that many of the recommendations corresponded to initiatives that had, in fact, been taken in the interim. In that regard, she drew attention to the reports of the Secretary-General on accountability and responsibility (A/55/270 and human resources management reform (A/55/253 and Corr.1).

39. In recommendation 6, JIU proposed the promulgation of individual delegation orders. The Secretary-General believed that while further improvement was possible, the existing two-tier mechanism for delegation of authority at the organizational and individual levels provided an appropriate framework that allowed adjustment in the levels of authority delegated and ensured the responsibility and accountability of United Nations officials.

40. **Mr. Mirmohammad** (Islamic Republic of Iran), speaking on behalf of the Group of 77 and China, requested an explanation of the delay in issuance of the JIU report — which had been submitted in 2000 — and the comments thereon; had those documents been issued on time, the Committee could have considered them in the context of its discussions on human resources management.

41. The General Assembly had always emphasized that any delegation of authority should be carried out in accordance with the Charter and the rules and regulations of the Organization and should entail clear lines of authority and accountability. The Group of 77 and China attached particular importance to recommendation 2 (Clarity in the formulation of policies and procedures). It considered that recommendation 4 (Promulgation of revised Financial Regulations and Rules) should be broadened to include staff rules. He asked whether recommendation 6 (Promulgation of individual delegation orders) called for the delegation of additional authority to individuals or merely for compliance with guidelines whenever authority was delegated. With respect to recommendation 9 (Monitoring), the General Assembly had often emphasized that well-designed mechanisms of accountability, including internal monitoring and control procedures, must be put in place before authority was delegated to programme managers. Lastly, recommendation 11 rightly stressed the need to ensure that the views and suggestions of the staff were considered and that consultations with staff representatives were undertaken prior to the delegation of authority.

42. **Mr. Farid** (Saudi Arabia) said that he fully supported the statement made by the representative of the Islamic Republic of Iran on behalf of the Group of 77 and China.

43. The delegation of authority should proceed according to a certain order. First, the views and suggestions of the staff should be considered (recommendation 11); then a comprehensive system of accountability should be developed, taking into account the need for adequate mechanisms to evaluate the performance of officials to whom authority was delegated and for performance indicators and enforcement mechanisms (recommendation 10); and, lastly, the delegation of authority to individuals should be clearly defined in individual delegation orders (recommendation 6).

44. **Mr. Nakkari** (Syrian Arab Republic) said that his delegation also supported the statement made by the representative of the Islamic Republic of Iran on behalf of the Group of 77 and China. Recommendation 6, on the promulgation of individual delegation orders, addressed many of the concerns of the General Assembly, which had asked for a clear system of accountability to be established before authority was delegated. He did not share the view expressed by the Assistant Secretary-General for Human Resources Management that the current system of delegation of authority was balanced and adequate, and stressed the need for the views of staff on the matter to be taken into account.

45. **Mr. Repasch** (United States of America) said that the report of JIU highlighted what was perhaps a deficiency in the oversight process, namely, the length of time that elapsed between issuance of the report of JIU and issuance of the related report of the Secretary-General. During the interval, many of the findings and recommendations contained in the report of JIU might have been overtaken by events. The Committee, moreover, now had to deal with the sometimes conflicting information contained in the two reports. A more consultative process should therefore be followed, in which the comments of the Secretary-General were incorporated into the report. The Committee's task would then be limited to deciding

whether or not to endorse the common view expressed in the report.

46. **Mr. Abdalla** (Libyan Arab Jamahiriya) said that the question of delegation of authority was an important but thorny subject, particularly for the Office of Human Resources Management. In his view, the various departments of the Secretariat currently lacked the capacity or logistical support to fully exercise authority. A multi-stage approach to the problem should therefore be adopted.

47. Human resources management was concerned mainly with rules and regulations and with legal interpretation and precedents. There was therefore also an urgent need to train both managers and support staff before management authority was delegated.

48. His delegation attached great importance to recommendation 11, on the need for full and meaningful consultations with staff representatives. Also important were the questions of the accountability of managers for the use and possible abuse of authority and the role of the Administration in general supervision and monitoring activities. Authority should be delegated not in a general but in a precise manner, with managers exercising authority within clearly defined limits.

49. **Mr. Münch** (Joint Inspection Unit), replying to the question posed by the delegation of the Islamic Republic of Iran, said that recommendation 6 should be interpreted to mean that specific rules and procedures were to be observed in the delegation of management authority.

50. He agreed with the comments made by the representative of the United States of America concerning the unsatisfactory nature of the oversight process. It would have been better if the Secretary-General's comments had been provided within three months of the issuance of the report, as provided for in the statute of JIU. The issue of the oversight process, however, was a broader one that went beyond the scope of the reports under consideration.

51. He shared the views expressed by the representative of the Libyan Arab Jamahiriya on the need for training for managers. Indeed, the Inspectors felt that the establishment in the Office of Human Resources Management of a type of "help-desk" function devoted to providing guidance on the correct implementation and interpretation of financial, staff and programme planning regulations, rules and administrative instructions would go a long way towards reinforcing managerial competencies and accountability.

52. **Ms. Salim** (Assistant Secretary-General for Human Resources Management) said, with reference to recommendation 6, that the issue of the promulgation of individual delegation orders was concerned not with additional authority but with the clarification of authority and establishment of proper procedures to ensure absolute clarity about roles and responsibilities.

53. **Mr. Juppin De Fondaumiere** (Director of the Management Policy Office) said that the Secretariat had taken note of the concerns expressed by many delegations over the amount of time that had elapsed between the issuance of the report of JIU and the issuance of the related report of the Secretary-General. He regretted the delay, which had been due to the extensive consultations that had taken place during the preparation of the Secretary-General's report. Moreover, the report had been submitted to the Secretariat the previous October, at a time when many of the parties that were required to comment on its findings were busy with other matters of equally high priority. The Secretariat would do everything possible to speed up the process in the future.

54. **Mr. Repasch** (United States of America) said that his delegation was concerned not so much with whether the statute of JIU had been respected as with ways of enhancing the effectiveness of the inspection process by making it more consultative. The current process was simply not satisfactory.

55. **Mr. Abdalla** (Libyan Arab Jamahiriya) asked which parties had been consulted by the Secretariat prior to the issuance of the Secretary-General's comments and whether staff representatives had been among those parties.

56. **Mr. Münch** (Joint Inspection Unit) said that observance of the statute of JIU was an important element of the work of the Unit. The statute's provisions governing standards and procedures for inquiries and investigations provided for the secretariat of an organization to make substantive comments on the Unit's investigations. The Unit welcomed such comments, which helped to make the overall review more comprehensive. Unfortunately, the comments received were sometimes superficial and even

contradictory. Moreover, the consultative process tended to delay the issuance of the report.

57. **Mr. Juppin De Fondaumiere** (Director of the Management Policy Office), replying to the question posed by the representative of the Libyan Arab Jamahiriya, said that the consultations he had referred to had taken place within the Secretariat.

The meeting rose at 12.15 p.m.

United Nations A/C.5/55/SR.62

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Summary record of the 62nd meeting
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Chairman: Mr. Rosenthal ..... (Guatemala)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 153: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

(a) Financing of the United Nations peacekeeping operations (*continued*)

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01-37107 (E)

The meeting was called to order at 10.15 a.m.

Agenda item 153: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

(a) Financing of the United Nations Peacekeeping Operations (*continued*)

Reform of the procedures for determining reimbursement to Member States for contingent-owned equipment (A/55/815 and A/55/887; A/C.5/55/39)

1. **Mr. Pedersen** (Chairman of the post-Phase V Working Group on reformed procedures for determining reimbursement of contingent-owned equipment), introducing the report of the post-Phase V Working Group (A/C.5/55/39), said that the Working Group, like its predecessors, had consisted of experts from Member States and the Secretariat, who had worked together as a team. The experts had been both military personnel and civilians with expertise in the areas of equipment, finance and medical support services. The Working Group had had three main objectives: to create a generic model for updating reimbursement rates and, subsequently, to update the rates approved by the General Assembly at the beginning of 1996; to review and update the existing standards and to seek new fields in which standards could be applied; and to consider the methodology underlying the calculation of standard rates for reimbursement of troop costs, including ways of producing timely and more representative data.

2. The Working Group had recommended that reimbursement rates should be reviewed triennially on the basis of national price and cost development indices reported by Member States. Given the substantial variations in such data, the Working Group had had to consider whether to calculate a simple average or to exclude some data. Ultimately, it had agreed on a statistical, decision-supporting model that included all data and used standard deviation as the statistical tool. Most importantly, since the model was generic, it could be used for future reviews of rates. Based on the data provided to it, the Working Group had recommended adjustments to the major equipment and self-sustainment rates per category ranging from 0.03 to 20.27 per cent. The impact of those revised rates on the United Nations peacekeeping budget was estimated at 7.42 and 7.53 per cent for major equipment and self-sustainment, respectively.

3. After reviewing the existing standards, the Working Group had recommended a number of minor adjustments to the definitions of categories, establishment of some new standard categories, and clarification of the issue of liability for damage to major equipment used by one country and owned by another and of the policy on inland transportation costs. It had also completed the review of policies on medical support services. However, the most significant achievement had been the establishment of standards and rates for painting and repainting, which would eliminate an administrative burden for both the Secretariat and troop contributors.

4. The Working Group had been asked to consider the issue of troop costs less than one month before it had met. While it had failed to achieve a consensus on a recommendation, it had come up with a number of options that could be considered by the Committee. Since the issue was political, specialists could not be expected to resolve it without being given further guidelines.

5. **Mr. Sheehan** (Assistant Secretary-General for Logistics, Management and Mine Action) introduced the Secretary-General's report on reform of the procedures for determining reimbursement to Member States for contingent-owned equipment (A/55/815). The outstanding work of the post-Phase V Working Group was very important for the development of a simple, transparent and equitable reimbursement system, which was essential for ensuring the deployment of peacekeepers who could implement the wide range of complex operations mandated by the United Nations.

6. He recalled that, in 1994, the General Assembly had established a project plan aimed at standardizing the equipment for which reimbursement would be authorized and identifying appropriate rates of reimbursement. In 1998, the Phase IV Working Group had reviewed a number of issues related to the new procedures, but had not reached agreement in connection with major equipment standards, self-sustainment categories or levels of medical support. In January 2000, the Phase V Working Group had proposed a methodology for updating rates for major equipment by indexing existing rates for contingent-owned equipment. The mechanism proposed for the

review of self-sustainment rates had been based on inflation, currency fluctuations and other economic factors. However, new rates had not been set owing to a lack of sufficient data from troop contributors.

7. The post-Phase V Working Group had met in January 2001 to analyse the methodology further, to conduct the first review of rates since 1996 and to consider issues related to medical support in response to the concerns expressed by the Special Committee on Peacekeeping Operations about the identification of medically high-risk areas, pre-deployment immunization costs and costs incurred for necessary post-repatriation treatment of peacekeeping personnel. Four major areas of reimbursement had been reviewed: major equipment, self-sustainment, medical services and troop costs. In view of significant variations in the cost data submitted by Member States for different types of equipment, the post-Phase V Working Group had recommended that the methodology developed by the Phase V Working Group should be revised to apply the statistical tool of standard deviation. On the basis of that methodology, it had recommended an increase in the reimbursement rates. It had agreed that the same formula for reviewing rates should be applied to self-sustainment.

8. The modular approach to reimbursement for medical facilities, which solved the problem of defining major and minor medical equipment, had been approved for recommendation to the General Assembly. That would simplify the verification and reimbursement procedures and assist in the planning of peacekeeping missions. Various views had been expressed on the policy concerning vaccination and medical examination costs. The Secretariat felt that a decision to reimburse those costs would have a substantial financial impact on peacekeeping budgets, particularly in view of regular troop rotations every six months. Currently, vaccinations provided on the advice of the United Nations were a national responsibility. For humanitarian reasons, the Working Group had recommended that all level I medical facilities should have a responsibility to provide emergency medical care to all members of a United Nations mission.

9. With respect to troop costs, the extensive discussions held by the Working Group had resulted in a proposal that the General Assembly should consider two options, which were presented in paragraphs 86 to 93 of the Working Group's report (A/C.5/55/39). The Secretariat looked forward to receiving the requisite guidance from the General Assembly on that and other issues outlined in the Working Group's report.

10. **The Chairman** recalled that the report of the Advisory Committee on Administrative and Budgetary Questions concerning the two reports just introduced (A/55/887) had been introduced previously by the Chairman of the Advisory Committee.

11. **Mr. Schori** (Sweden), speaking on behalf of the European Union and the associated countries Cyprus, the Czech Republic, Hungary, Latvia, Lithuania, Malta, Romania, Slovakia, Slovenia and Turkey, said that reimbursement rates must be set at a level that was fair to all troop-contributing countries and to the membership at large. Accordingly, the rates should have a sound and transparent basis and should accurately reflect the costs incurred by troop contributors. Given the importance of ensuring that peacekeepers were fully capable of delivering the necessary services, resources should be provided for the proposed pre- and post-deployment examinations. Other ways to ensure the effective conduct of peacekeeping operations should also be considered.

12. He was concerned that the General Assembly had not yet provided clear guidance on a methodological basis for the reimbursement of troop costs and that reimbursement rates for those costs had been set on a wholly ad hoc basis. He therefore supported the Advisory Committee's suggestion that a comprehensive review of the methodology should be carried out and that a group of qualified individuals should conduct an in-depth study thereon. Before any change in the current rate could be considered, a broad agreement must be reached on methodology, pursuant to General Assembly resolution 55/229. That methodology should reflect five basic considerations: that peacekeeping required Member States to provide adequately trained and equipped troops; that the reimbursement rate should cover necessary additional costs incurred by troop contributors; that the standard rate should be based on survey data representing the costs incurred by at least 60 per cent of the countries which had contributed troops during the previous three years; that the rate should equitably reflect the varying actual additional costs incurred by troop contributors, particularly any allowances and medical costs; and that reimbursement should be subject to the confirmed delivery of specific services by adequately trained and prepared personnel.

13. The European Union recognized the comprehensive work undertaken by the post-Phase V Working Group and endorsed the recommendations contained in paragraph 6 of the Advisory Committee's report (A/55/887). The standards set out in the Contingent-Owned Equipment Manual should be implemented consistently. A review should be conducted of the practical aspects of wet lease arrangements, including the effectiveness of procedures for ascertaining the capacity of troop contributors to meet the requirements of wet lease and self-sustainment provisions, the need to ensure the effectiveness of peacekeeping operations and the need to minimize delays in processing reimbursements.

14. **Mr. Jara** (Chile), speaking on behalf of the Rio Group, said that the countries members of the Rio Group had participated actively in the January 2001 meeting of the post-Phase V Working Group. They were pleased that the Working Group had reached consensus on revised reimbursement rates for major equipment, self-sustainment and the costs of painting and repainting major equipment, and on new rates for medical services. However, they regretted that no consensus had been reached on the methodology for calculating standard rates of reimbursement to troop contributors, as requested in General Assembly resolution 55/229. Accordingly, they supported the Advisory Committee's recommendation that a group of experts should study the methodology and the elements to be taken into account in calculating such reimbursement rates. They also agreed that, in the interim, the rates should be increased as an ad hoc arrangement.

15. Although he welcomed the Working Group's accurate analysis of the problems related to the review of the policy on vaccination costs and pre- and post-deployment medical examinations, he regretted that the Working Group had not formulated any recommendations in that regard. Progress must be made in formulating an appropriate policy that duly reflected the aspirations of troop-contributing countries by providing for United Nations reimbursement of the costs of vaccinations and pre- and post-deployment medical examinations.

16. The Rio Group agreed with the Secretary-General that a simple, transparent and equitable reimbursement system was paramount for the efficient and effective functioning of peacekeeping operations. At a time when developing countries were the primary troop contributors to those operations, delays in reimbursement entailed heavy financial burdens for them which, if not alleviated, could affect their future participation in those activities. The Rio Group hoped that the Organization would use a significant share of the arrears payment from the United States of America to pay its debts to troop contributors. Some of those debts related to operations that had been liquidated years earlier.

17. **Mr. Paolillo** (Uruguay) said that his delegation fully supported the statement made on behalf of the Rio Group. Uruguay had demonstrated its commitment to United Nations peacekeeping by sending a total of over 10,000 troops to 20 peacekeeping operations since 1952. For some time, Uruguay had contributed more peacekeepers in relation to its population than any other country. Currently, its peacekeepers participated in 10 United Nations operations.

18. Unfortunately, the future participation of Uruguay and of other developing countries, which contributed over three fourths of all United Nations peacekeepers, was uncertain owing to the financial burden imposed by the Organization's delays in providing reimbursement. Of particular concern was the outstanding debt for Uruguay's participation in the peacekeeping operation in Cambodia, which had been liquidated eight years earlier. He asked what procedure would be followed for the payment of the Organization's debts in that regard, since the account for that operation had already been closed. If the problem was not addressed, Uruguay would feel that its commitment to peacekeeping was not reciprocated by the Organization. It would be regrettable if such delays obliged developing countries to stop taking part in peacekeeping operations.

19. Uruguay supported the recommendations of the post-Phase V Working Group, particularly in relation to the need for an upward adjustment of reimbursement rates, which had not been updated for 10 years. That extraordinary situation had particularly affected developing countries and had resulted in a disproportionate increase in the cost absorption factor from 32.8 per cent to nearly 54 per cent. Uruguay fully supported the Advisory Committee's recommendation that reimbursement rates should be provisionally increased by 4 to 6 per cent pending the outcome of a comprehensive review of the reimbursement methodology.

20. The issue of medical services was of particular interest to his Government. He was concerned to note that, despite the accurate analysis contained in paragraphs 107 to 113 of the post-Phase V Working Group's report (A/C.5/55/39), none of the final recommendations made any reference to the review of the policy on vaccination costs and pre- and post-deployment examinations. Uruguay supported the idea of developing a rate to cover vaccination costs. That additional burden on troop-contributing countries was often exacerbated by high-risk health conditions that made it necessary to provide treatment before, and sometimes after, the deployment of troops. In cases where troops were exposed to diseases that did not exist in their home countries, additional investments were required to obtain the necessary medical treatment. Those additional costs should also be taken into account by the Organization.

21. **Ms. Merchant** (Norway) said that her delegation accorded the highest priority to the further strengthening of United Nations capacity in the field of peacekeeping. It recognized the costs incurred by Member States that contributed troops to peacekeeping operations and agreed that there was a need to have in place a simple, transparent and equitable reimbursement system if those operations were to function efficiently and effectively. It appreciated, in that connection, the work of the post-Phase V Working Group and endorsed the recommendation made in paragraph 6 of the related report of the Advisory Committee (A/55/887) that the General Assembly should approve the recommendations of the Working Group.

22. It was important to develop clear guidelines to ensure timely reimbursement of troop-contributing countries. There was also a need to provide adequate training for both military personnel and civilians in the management of contingent-owned equipment in order to make sure that those guidelines were followed. With regard to the leasing of contingent-owned equipment, both the dry lease option and the United Nations support option should be utilized more frequently.

23. She expressed concern at the continuing delays in the signature by troop-contributing countries of memoranda of understanding with the United Nations. There was a need for all concerned to cooperate with the Organization with a view to minimizing those delays, which could limit the effectiveness of the measures to improve the working of peacekeeping operations.

24. Regarding troop costs, she noted that the General Assembly had yet to provide clear guidance on a methodology for calculating rates of reimbursement and that the issue of what was liable for compensation had still not been settled. Her delegation agreed with the Advisory Committee that there was a need for a comprehensive review, which should be conducted by a group of qualified individuals who would study and make proposals on the methodology and the elements on which it was based.

25. **Mr. Chandra** (India) welcomed the success of the post-Phase V Working Group in validating methodology, revising the reimbursement rates for major equipment, self-sustainment and certain special cases, reviewing new categories for major equipment, recommending generic reimbursement rates for painting and repainting of major equipment, and reviewing medical support services. He noted with satisfaction that the Secretary-General had recommended approval by the General Assembly of the Working Group's recommendations without comment or reservation. However, the basis for the Secretariat's view on reimbursement of vaccination and examination costs (A/55/815, annex) was not clear to him, since the end figure of $241 per contingent member had been arrived at on the basis of data provided by Member States and the methodology applied, which had consisted in using a standard deviation of 25 per cent, had been no different from that utilized in the other areas reviewed by the Working Group.

26. Regarding the related report of the Advisory Committee (A/55/887), while he agreed that the delays in signing memoranda of understanding must be minimized, those delays were attributable as much to the Secretariat as to troop-contributing countries. The Advisory Committee stated in paragraph 6 of its report that there was a need to have in place a simple, transparent and equitable reimbursement system. His delegation agreed on the need for transparency and equitableness, but the simplicity of the system would depend on the number of special cases and the requirements of individual operations.

27. With regard to troop costs, he pointed out that the average absorption factor had increased to 53.9 per cent whereas the reimbursement rate for personal equipment and clothing had remained unchanged at

$65, which was unfair and unjust since the majority of troop contributors were developing countries. Those States did not oppose the application of a standard methodology to calculate troop costs, nor did they object to the use of a statistical tool to arrive at a representative figure. However, the data they provided was sacrosanct and must be treated as such. Accordingly, the Secretariat should obtain the approval of the General Assembly before circulating questionnaires to Member States. He urged the Committee to consider the proposal made by the Danish delegation during the post-Phase V process that, pending a comprehensive review of the methodology of reimbursement for troop costs, the current rates should be increased through an ad hoc arrangement. The resultant additional requirements could be reflected in the manner recommended by the Advisory Committee in paragraph 14 of its report.

The meeting rose at 11.10 a.m.

United Nations A/C.5/55/SR.63

General Assembly
Fifty-fifth session

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Fifth Committee

Summary record of the 63rd meeting
Held at Headquarters, New York, on Tuesday, 15 May 2001, at 10 a.m.

Chairman: Mr. Rosenthal ..... (Guatemala)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 153: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

(a) Financing of the United Nations peacekeeping operations (*continued*)

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01-37353 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 153: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

(a) Financing of the United Nations peacekeeping operations (*continued*)

Reform of the procedures for determining reimbursement to Member States for contingent-owned equipment (*continued*) (A/55/815, A/55/887 and A/C.5/55/39)

1. **Mr. Abraszewski** (Poland) said that Poland was strongly committed to the strengthening of the Organization's peacekeeping capacity. For more than a quarter of a century thousands of Polish soldiers, specialists and support staff had served with pride and dedication in numerous United Nations peacekeeping operations. His delegation was therefore pleased that the post-Phase V Working Group on reformed procedures for determining reimbursement of contingent-owned equipment had validated the methodology and agreed on revised reimbursement rates for major equipment, self-sustainment rates for some special cases, new categories of major equipment, generic reimbursement for painting jobs of major equipment and new rates for medical services. It also noted with satisfaction that the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions had recommended approval of the recommendations without reservations.

2. His delegation noted with concern, however, that the Working Group had failed to achieve consensus on the methodology underlying the calculations of standard rates of reimbursement to troop-contributing States and had submitted some options for consideration by the General Assembly. It welcomed the Advisory Committee's recommendation that, pending a comprehensive review of the methodology of reimbursement for troop costs, the General Assembly might wish to consider, as an ad hoc arrangement, increasing the standard monthly rates of reimbursement by 4 to 6 per cent and having recourse to a group of qualified individuals who would study and make proposals on the methodology and the elements on which it was based. Poland was willing to provide an expert to serve on such a working group.

3. The elaboration of an agreed methodology for the calculation of troop costs based on timely, comprehensive and transparent data was essential for a lasting solution to the problem. Prices had increased considerably over the previous 10 years and the proposed increase in the rates of reimbursement, although fully warranted, was rather symbolic since it would compensate for only a fraction of the actual increase in costs.

4. **Mr. Fox** (Australia), speaking also on behalf of New Zealand and Canada, said that Australia contributed troops, police, civilian personnel and other assistance to United Nations peacekeeping operations because of the high value it placed on the Organization's role in maintaining international peace and security. At the same time, however, such operations must be conducted efficiently and effectively and systems of reimbursement for both troop and equipment costs must be simple, transparent and equitable. The States on whose behalf he spoke therefore welcomed the proposed measures for pre- and post-deployment inspection as a step towards the development of common standards for service delivery. They also agreed with the Advisory Committee on the need for effective procedures to ascertain the capacity of troop contributors to meet the requirements for wet lease and self-sustainment provisions of contingent-owned equipment arrangements.

5. In relation to troop costs, the delegations on whose behalf he spoke noted the Advisory Committee's recommendation that the General Assembly might wish to consider, as an ad hoc arrangement, increasing the standard monthly rates of reimbursement by 4 to 6 per cent. That proposal had not been costed, however, and it would be useful to have further information about the basis for the figures suggested. In the absence of an objective, empirical basis, it would be difficult for their delegations to agree to an increase. They were prepared, however, to consider the merits of a one-off increase of a size to be determined which would apply until a new methodology was put in place. That figure should be reviewed when agreement was reached on the methodology.

6. Before agreeing on a particular figure, the Committee should first address the more fundamental issue of the methodology. It was a matter of concern that the General Assembly had failed to provide the necessary guidance to the Secretariat on the principles that should inform a comprehensive review of the

methodology of reimbursement for troop costs. The Assembly should provide such guidance after which the review should be undertaken by a panel of experts.

7. Neither the report of the Secretary-General nor that of the Advisory Committee addressed the issue of the overall impact on the peacekeeping budget of proposals concerning contingent-owned equipment or troop contributions. Their delegations had reservations about the wisdom of agreeing to proposals without knowing their financial implications. The Secretariat should therefore provide that information to the Committee so that it could take decisions on an informed basis.

8. **Mr. Yamanaka** (Japan) said that the methodology for calculating standard rates of reimbursement to troop-contributing States was a critical issue that had an important bearing on the decision of Member States whether or not to commit troops to future peacekeeping operations. The standard rates of reimbursement to troop-contributing States had remained unchanged for many years, while the average absorption factor was now much higher. Given those factors, his Government was ready to accept a reasonable increase in standard rates based on a reasonable methodology. It therefore regretted the Working Group's failure to reach a consensus on the methodology. The Committee should continue efforts to establish by consensus a clear and transparent methodology that placed emphasis on accountability. In that connection, the recommendation contained in paragraph 13 of the Advisory Committee's report was a good basis for further discussion of the issue. Further clarification was needed, however, before the Committee could go along with the ad hoc arrangement recommended by the Advisory Committee.

9. **Mr. Wittmann** (United States of America) said that the Organization's capacity to achieve one of its fundamental goals, namely, the maintenance of international peace and security, was enhanced by the contributions of Member States to United Nations peacekeeping operations. The United States, which over the years had supported that goal by contributing military observers and troops, understood the considerations which a Member State contemplated before offering and then committing troops to a peacekeeping operation. There were costs involved in even the smallest deployment and Member States could not be expected to contribute troops solely on the basis of goodwill. Many Member States, however, including the United States, realized that not all of the extra costs associated with service in a United Nations peacekeeping operation would be reimbursed. At the same time, it was unfair to other Member States not to provide fair and equitable reimbursement for their contributions to that fundamental responsibility of the Organization.

10. Rates of reimbursement must be fair and equitable to troop-contributing countries and to the Members of the Organization as a whole. The process used to determine such a rate must be transparent and based on clear, empirical data, since any ad hoc figure that was calculated in an irrational or obscure manner and not grounded in solid, empirical data might result in inconsistent results. One State might benefit while another was left behind. Confusion might also arise over what costs were unique to one reimbursement mechanism and what costs might be covered under another.

11. Reimbursement represented one side of an agreement. By accepting troop contributions from a Member State and allocating funds, the Organization was entering into an agreement with the contributing State, namely, to reimburse the costs of troops that were adequately trained and equipped to do the job they were offering to do.

12. He shared the concern of other delegations that the General Assembly had yet to give clear guidance to the Secretariat on the matter. His delegation appreciated the efforts of the post-Phase V Working Group and endorsed many of the conclusions contained in the Advisory Committee's report. What was before the Committee, however, was still inadequate. The method used to collect data, the questionnaires and the processing of the data were not answering the needs of the Organization. The Committee should not repeat prior errors and rush to a conclusion that could not be explained and justified on a rational and common sense basis. Moreover, it was both inappropriate and unreasonable for the Committee, which was not composed of experts in the field, to dictate the methodology. The Committee should therefore request the Secretary-General to empanel a group of experts to settle the matter once and for all. Until a more complete picture emerged of how the issue would be resolved, his delegation was not comfortable with the Advisory Committee's recommendation for the establishment of a new rate.

13. **Mr. Bebars** (Egypt) said that the reform of the Organization's administration in the peacekeeping area must be undertaken in a way that was integrated and balanced and that addressed all those aspects currently seen as deficient, namely the manner in which the Secretariat prepared and presented its recommendations to the Security Council, the manner in which the Council formulated mandates and brought the troop-contributing countries into their formulation, modification and revision, and the role of the Secretariat in the selection of troop-contributing countries. Reform also required an end to the chronic financial deficit of the United Nations, and it was important for all Member States to pay their assessed contributions in full, on time and without conditions so that the Organization could reimburse Member States for their participation in United Nations operations. The situation where the troop-contributing countries, most of which were developing countries, were effectively subsidizing Member States that did not meet their obligations under the Charter could not be allowed to continue. There was also a pressing need to reform the internal administrative procedures of the Secretariat, especially those for the drafting of memoranda of understanding and the reimbursement of States at an early stage in their participation in an operation.

14. Egypt supported the recommendation of the post-Phase V Working Group on revised reimbursement rates for major equipment and self-sustainment with the application of a standard deviation of 25 per cent to the index data submitted by Member States. It nevertheless found it difficult to agree that such a methodology should be generalized for the periodic review of such rates, taking account of the remark of the Under-Secretary-General that the standard deviation calculations used were extremely complex and had not been annexed to the report of the Working Group. The use of such methods also implied that the data submitted by Member States were suspect, and that was unacceptable. It would be best to leave a decision on the method of calculation to be used to determine future rates to the group of experts that would be convened for that purpose.

15. In connection with the Working Group's recommendations on liability for damage to major equipment used by one country and owned by another, more information was required concerning the definitions of "wilful misconduct" and "gross negligence" and on the procedures currently in use. Egypt welcomed the Working Group's recommendations on special cases and new categories of major equipment, on generic reimbursement for painting and repainting of major equipment, on the review of self-sustainment categories and standards, and on the review of the medical aspects of the Contingent-Owned Equipment Manual. Since the Working Group had failed to reach consensus on new rates in its review of policy on vaccination costs and pre- and post-deployment examinations, it should be determined whether such examinations and immunizations were United Nations requirements. If they were, then they should either be abolished or the United Nations should meet the costs incurred, particularly since they were additional costs for troop-contributing countries.

16. Egypt agreed with the recommendation of the Advisory Committee that, as an ad hoc arrangement, the standard rates of reimbursement should be increased pending a comprehensive review of the methodology of reimbursement for troop costs. His delegation rejected the proposal made by some delegations that troop costs should be linked to performance and questioned its motivation. The evaluation of performance would open the door to a kind of discrimination and selectivity with respect to participation in peacekeeping operations that had previously been unknown to the United Nations. Some had insisted on addressing the question of linking troop costs to the composition of the force. That matter should first be studied by the Special Committee on Peacekeeping Operations, and only if it agreed that differences in the composition of forces provided a rationale for differences in troop costs would Egypt be prepared to discuss the matter in the Fifth Committee.

17. The major Western countries must review the position they had taken of refraining from participation in certain peacekeeping operations, especially in Africa, and of only contributing equipment on the grounds that in their view such operations involved an unacceptable level of risk.

18. **Mr. Iqbal** (Pakistan) said that the meeting of the post-Phase V Working Group had been a meeting of experts on the subject. Under one of the components of its mandate, the Group had reached consensus on a methodology whereby reimbursement rates and procedures could be agreed upon for major equipment. The Group had respectfully considered the data

submitted by Member States, devised a method to deal with any shortcomings and agreed on a reasonable rate that was fair to all troop contributors. Its recommendation, moreover, had been supported by the Advisory Committee.

19. On the subject of troop costs, while consensus had not been reached, the Working Group had made certain recommendations for consideration by the General Assembly. A number of questions arose regarding the collection of data, such as how much expertise would be considered sufficient, what kind of data would be considered acceptable and whether all Member States would be satisfied with the data. If that debate dragged on, troop-contributing States would continue to suffer and the Organization would lose out in the end. Serious consideration should therefore be given to the issue and relief provided to troop contributors.

20. On the issue of delays in the signing of memoranda of understanding, experience had shown that those delays were sometimes due to the lengthy procedures employed by the Secretariat, which should be streamlined.

21. As for the late reimbursement of troop contributors, the demand that troops should be well trained and well equipped was a fair one. In return, however, reimbursement of troop costs must be made on a timely basis. For ongoing missions, troop contributors faced uncertainties with regard to reimbursement for troops and equipment. While Pakistan wanted to be fair, it would also be fair to demand that a penalty be paid when reimbursement was delayed beyond a reasonable time so that the troop-contributing State did not lose on what it had spent on its troops. Member States should review the totality of issues involved and come up with solutions that were fair to all the parties concerned and which would not imperil the future of United Nations peacekeeping operations.

22. **Mr. Lollesgaard** (Denmark) recalled the representative of India's reference at the Committee's previous meeting to the "Danish model" for reimbursement of troop costs. By way of background, it had become clear by the end of the Working Group's session that a consensus would not be reached on a methodology for the reimbursement of troop costs. Instead, the Group had agreed to present different models, including the "Danish model", for the Committee's consideration. He wished to make it clear that, while a number of States considered that the model could serve as an interim solution, it had not been Denmark's original idea. Denmark aligned itself with the statement on the subject made by the representative of Sweden on behalf of the European Union and fully supported the idea that a comprehensive review should be carried out.

23. **Mr. Chandra** (India) thanked the representative of Denmark for his clarification. There had clearly been a misunderstanding, since the thrust of his argument had been made in the context of paragraph 93 of the Working Group's report, in which the Group recommended that the General Assembly might wish to note that a vast majority of troop-contributing countries in the Working Group supported the adoption of proposal 2 as an interim measure. He noted further that the Advisory Committee's recommendation was not very different.

24. **Mr. Yeo** (Director of the Peacekeeping Financing Division, Office of Programme Planning, Budget and Accounts), replying to questions raised on how the Secretariat dealt with old debts that had yet to be paid, said that old liabilities remained on the books and were never written off by the General Assembly for a variety of reasons. The Secretariat recognized that States handled their internal bookkeeping in different ways, but that did not affect the Organization's own accounting standards.

25. With regard to the reimbursement of contingent-owned equipment, a number of delegations had indicated that information was needed on additional costs before some recommendations could be considered. He would make available to members in the informal consultations the same information that had been given to the Advisory Committee.

The meeting rose at 11 a.m.

United Nations A/C.5/55/SR.64

General Assembly
Fifty-fifth session

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Fifth Committee

Summary record of the 64th meeting
Held at Headquarters, New York, on Monday, 21 May 2001, at 10 a.m.

Chairman: Mr. Rosenthal ..... (Guatemala)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 117: Programme budget for the biennium 2000-2001 (*continued*)

Outline of the proposed programme budget for the biennium 2002-2003 for the International Trade Centre UNCTAD/WTO

Agenda item 122: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*)

Agenda item 169: Scale of assessments for the apportionment of the expenses of the United Nations peacekeeping operations (*continued*)

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Proposed regulations governing the status, basic rights and duties of officials other than Secretariat officials and experts on mission and regulations governing the status, basic rights and duties of the Secretary-General

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01-37895 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 117: Programme budget for the biennium 2000-2001 (*continued*)

Outline of the proposed programme budget for the biennium 2002-2003 for the International Trade Centre UNCTAD/WTO (A/55/7/Add.10 and A/55/797)

1. **Mr. Sach** (Director of the Programme Planning and Budget Division), introducing the report of the Secretary-General containing the outline of the proposed programme budget for the biennium 2002-2003 for the International Trade Centre UNCTAD/WTO (A/55/797), recalled that the General Assembly, in its decision 53/411 B of 18 December 1998, had endorsed the revised administrative arrangements for the International Trade Centre UNCTAD/WTO (ITC) as set out in the report of the Advisory Committee on Administrative and Budgetary Questions (A/53/7/Add.3). The report of the Secretary-General set out the budget outline of ITC, with the requirements expressed in Swiss francs, in line with the new arrangements. The outline would be submitted simultaneously to the Committee on Budget, Finance and Administration of the World Trade Organization (WTO) for its approval.

2. The table contained in paragraph 6 of the report showed the requirements for the biennium 2002-2003, which represented an increase of 3.7 per cent in real terms. A substantial part of that increase would fund an annual meeting of the Executive Forum, an event designed to strengthen the capacity of developing countries and countries with economies in transition to formulate and manage national export strategies. Another substantial part of the increase would strengthen the in-house expertise of ITC in electronic trade, which was becoming an increasingly critical factor in any national export development strategy.

3. The detailed proposed programme budget of ITC for the biennium 2002-2003 would be submitted to the General Assembly and to the General Council of WTO in the autumn of 2001, on the basis of the decisions that the Assembly would have taken on the current outline as well as the reaction received from the WTO Committee on Budget, Finance and Administration.

4. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report (A/55/7/Add.10), said that the Committee recommended approval of the budget outline for ITC. The Committee noted that the proposed outline represented an increase of 3.7 per cent in real terms and that regular budget resources would be used in the preparation of the substantive elements related to the Forum, while extrabudgetary funds would continue to be used to fund the travel of participants from least developed countries and to ensure dissemination of the experience at the national level. The Advisory Committee might offer additional comments, as necessary, when it received the definitive report of the Secretary-General at the fifty-sixth session of the General Assembly.

5. **Mr. Repasch** (United States of America) noted with satisfaction that the Advisory Committee had reviewed the budget outline with ITC representatives in Geneva, through videoconferencing. The practice of videoconferencing should be continued and adopted by other bodies, including the Fifth Committee.

6. With regard to the procedure being followed, he wondered whether the Committee was approving the outline of budget proposals that had already been officially submitted. He noted, furthermore, that the proposed increase of 3.7 per cent was mainly to fund an annual meeting of the Executive Forum and to strengthen the in-house expertise of ITC in electronic trade. The Secretariat should elaborate on what was meant by strengthening the in-house expertise of ITC.

7. **Mr. Sach** (Director of the Programme Planning and Budget Division), with reference to the procedure being followed, said that the detailed budget fascicle for ITC had not yet been prepared. What existed was a preliminary estimate of the total amount. The detailed budget proposals would be submitted at the fifty-sixth session of the General Assembly after the Assembly and WTO had approved the outline. The in-house expertise of ITC was likely to be strengthened through the creation of two additional posts, at the P-5 and General Service levels. The details were still to be finalized with the parties concerned.

8. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had held several videoconferences and planned to continue such meetings. With regard to the procedure being followed, there was no difference between the current procedure

and the one that had been followed at the Assembly's fifty-fourth session. The reference to the procedure used at the fifty-fourth session was contained in the Advisory Committee's first report on the proposed programme budget for the biennium 2000-2001 (A/54/7, paras. IV.59-IV.61).

9. **Mr. Nakkari** (Syrian Arab Republic) expressed his delegation's satisfaction at the two meetings that had been held thus far to strengthen the capacity of developing countries and countries with economies in transition to formulate and manage national export strategies. It also welcomed the Advisory Committee's recommendation that the Assembly should approve the budget outline for ITC. In keeping with Assembly resolution 55/222, however, the recommendation should have been highlighted in bold print in the text so that it could be more easily located.

10. **Mr. Chandra** (India) supported the view expressed by the representative of the Syrian Arab Republic that the recommendation should have been highlighted in bold print, since it was often the first thing that delegations looked for in the reports of the Advisory Committee. He hoped that the omission was not a harbinger of a change in that Committee's practice.

11. His delegation thanked the Government of Switzerland for funding the meetings and was pleased to learn that regular budget resources would be used in the preparation of the substantive elements related to the Forum. India had always stressed the need for all programmes to be funded from regular budget resources, because of the conditions that were frequently attached to extrabudgetary resources.

12. **The Chairman** proposed that the secretariat should prepare a draft decision for the consideration of the Committee by which the Committee would recommend to the General Assembly that it take note of the report of the Secretary-General and of the outline of the proposed programme budget for the biennium 2002-2003 for the International Trade Centre UNCTAD/WTO and that it concur with the observations and recommendations of the Advisory Committee thereon.

13. **Mr. Nakkari** (Syrian Arab Republic) said that his delegation's position on the issue was well known to the Committee. While it would not stand in the way of the Committee's decision, his delegation would prefer the draft decision to state that the Assembly should "endorse" the recommendation and observations of the Advisory Committee.

14. **The Chairman** said that he had been informed by the secretariat that the draft text would be prepared in the usual manner.

15. *It was so decided.*

Agenda item 122: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*) (A/RES/55/5 F)

16. **Mr. Chandra** (India) said that the scale had been frozen for two scale periods and had been finalized only during the last quarter of 2000. While the issue had been exhaustively discussed within the Group of 77 and China, a common position had not yet emerged. Given the limited time that was available in the current part of the resumed session and the considerable ground that remained to be covered, the Committee might wish to defer its consideration of the item to the next part of the resumed fifty-fifth or to the main part of the fifty-sixth session of the General Assembly.

17. **Ms. Zonicle** (Bahamas) said that the proposal contained in paragraph 2 of Assembly resolution 55/5 F was of great concern to the member States of the Caribbean Community (CARICOM) and she had been asked to reiterate that concern to the Committee. CARICOM wished to see a scale that was fairer in terms of the methodology used. It would also be more cost effective to have an independent review of the elements of that methodology before the Committee on Contributions submitted its proposals. She, however, saw merit in the proposal by the representative of India that, in light of the other matters on the agenda, the Committee should have a more in-depth discussion of the question during the main part of the fifty-sixth session of the Assembly.

18. **The Chairman** proposed that the secretariat should be requested to prepare a draft decision for the consideration of the Committee in which the Committee would recommend to the General Assembly that it defer consideration of the question to the main part of its fifty-sixth session.

19. *It was so decided.*

Agenda item 169: Scale of assessments for the apportionment of the expenses of the United Nations peacekeeping operations (*continued*) (A/C.5/55/38 and Add.1)

20. **Mr. Gilpin** (Chief of the Contributions Service, Department of Management), introducing the report of the Secretary-General on information on the implementation of General Assembly resolutions 55/235 and 55/236 (A/C.5/55/38 and Add.1), said that in resolutions 55/235 and 55/236 the Assembly had decided on the parameters of a new set of 10 levels for Member States for the financing of peacekeeping operations from 2001. The Assembly had also taken note of voluntary movements by a number of Member States to higher levels than indicated by the parameters spelled out in resolution 55/235. Paragraph 10 of resolution 55/235 set out the transition period for new contributors under the 2001-2003 scale. The resolution also provided for the Secretary-General to update the composition of the levels on a triennial basis. It was the Secretariat's understanding that changes in the list of least developed countries approved subsequent to the adoption of resolution 55/235 would be reflected in due course in the updated composition of levels for the triennium 2004-2006.

21. **Mr. Mirmohammad** (Islamic Republic of Iran), speaking on behalf of the Group of 77 and China, said that there was no need for the Committee to take a decision on the report since it had not been requested by the General Assembly.

22. **Mr. Nesser** (Sweden), speaking on behalf of the European Union, asked what would be the implications of postponing consideration of the report. The European Union was prepared to take note of it at the current part of the session.

23. **The Chairman** inquired whether the European Union would object to the proposal not to take a decision on the report at the current stage.

24. **Mr. Nesser** (Sweden), speaking on behalf of the European Union, said that he would not object to the Committee considering the report at a later stage.

25. **The Chairman** said that the Committee would therefore make no recommendation to the General Assembly at the current stage.

Agenda item 116: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*) (A/55/928)

Proposed regulations governing the status, basic rights and duties of officials other than Secretariat officials and experts on mission and regulations governing the status, basic rights and duties of the Secretary-General

26. **Ms. Schmidt** (Chief of the Office of the Under-Secretary-General for Management) introduced the report of the Secretary-General on the proposed regulations governing the status, basic rights and duties of officials other than Secretariat officials and experts on mission and regulations governing the status, basic rights and duties of the Secretary-General, contained in document A/55/928. In paragraph 1 of its resolution 55/221, the General Assembly had requested the Secretary-General to undertake consultations on the proposed regulations with the officials referred to in his report (A/54/695 and Corr.1) and to report thereon to the General Assembly at its resumed fifty-fifth session. As requested, the Secretary-General had consulted with the Chairmen of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), the International Civil Service Commission (ICSC), the International Law Commission (ILC) and the Joint Inspection Unit (JIU), as well as with the Executive Chairman of the United Nations Monitoring, Verification and Inspection Commission (UNMOVIC).

27. In paragraph 2 of the same resolution, the General Assembly had also requested additional information on whether the proposed regulations ensured the impartiality, neutrality, objectivity and accountability of the personnel concerned. The Assembly had not expressly requested consultations with the officials referred to in paragraph 1 (b) of the Secretary-General's previous report (A/54/695 and Corr.1), but the Secretary-General had consulted with the chairperson of the group of special rapporteurs of the Commission on Human Rights since the group had provided comments during the preparation of the earlier report. The comments received from the five officials were quoted in the report before the Committee.

28. **Mr. Rashkow** (Director of the General Legal Division, Office of Legal Affairs) pointed out that comments had not yet been received from the group of special rapporteurs of the Commission on Human

Rights regarding experts on mission, since the group would not meet until June.

29. **Mr. Nakkari** (Syrian Arab Republic) said that delegations had just received the document and had not had sufficient time to read it. Informal consultations on the report should therefore be scheduled.

30. **Ms. Silot Bravo** (Cuba) said that her delegation also regretted that the report had just been received, as it would be important for delegations to consult their capitals for instructions. With regard to paragraph 20 of the report, the Secretariat should comment on how specifically the impartiality, neutrality, objectivity and accountability of the officials concerned would be ensured. The question of whether experts on mission would be exempted from the proposed regulations so as not to jeopardize their independence should also be clarified.

31. **Mr. Gruzdev** (Russian Federation) said that, like the delegations of the Syrian Arab Republic and Cuba, his delegation was not prepared to speak on the matter at the current meeting, but reserved the right to return to the subject during the informal consultations.

32. **Mr. Orr** (Canada), supported by **Mr. Dugan** (United States of America), said that the Secretary-General had been unable to answer fully the request from the General Assembly. His delegation would therefore be reluctant to consider the document further until the group of special rapporteurs had met. No action should be taken and consideration of the report should be deferred to the fifty-sixth session of the General Assembly.

33. **Ms. Silot Bravo** (Cuba) said that the resolution had not requested consultation with experts on mission. Clarification of paragraph 20 of the report and of the question of whether those experts would be exempted from the proposed regulations was needed before the Committee could decide whether the item should be deferred.

34. **Mr. Rashkow** (Director of the General Legal Division, Office of Legal Affairs) said that experts on mission would not be exempt. They were in the category of officials covered by the proposal and their obligations would thus be brought into line with those of Secretariat officials, as noted in paragraph 18 of the report. Furthermore, such experts had been included in a previous draft of the regulations and had been consulted in the preparation of the Secretary-General's previous report.

35. **Mr. Nakkari** (Syrian Arab Republic) said that the decision to defer consideration of the report was not entirely procedural. He would prefer to discuss the matter with the Secretariat in informal consultations before making that decision.

36. **Mr. Orr** (Canada) said that his delegation would like the opportunity to make substantive comments on the report during a formal meeting. Given that the report seemed to be incomplete, he did not see the value of taking any action other than deferring its consideration to a later session.

37. **The Chairman** said that there were two proposals before the Committee. The first was to defer consideration of the item to the fifty-sixth session of the General Assembly and the second was for the Committee to consider it later in the current week in either a formal or an informal meeting.

38. **Mr. Dugan** (United States of America) said that even a meeting later that week would be a constraint, since it would leave little time for informal consultations on the issue. The wisest course of action might therefore be to defer its consideration to the fifty-sixth session of the Assembly.

39. **Mr. Abdalla** (Libyan Arab Jamahiriya) supported the Chairman's proposal, which met the concerns of all delegations.

40. **Mr. Dugan** (United States of America) said that he would not object to a meeting if the Chairman thought it necessary.

41. **The Chairman** said that the Committee might very well decide at the meeting to defer consideration of the item.

The meeting rose at 11.30 a.m.